

**REPORT OF THE AUDIT OF THE  
KNOX COUNTY  
FISCAL COURT**

**For The Fiscal Year Ended  
June 30, 2007**



**CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS  
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CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Steven L. Beshear, Governor

Jonathan Miller, Secretary

Finance and Administration Cabinet

Honorable J.M. Hall, Knox County Judge/Executive

Honorable Raymond Smith, Former Knox County Judge/Executive

Members of the Knox County Fiscal Court

The enclosed report prepared by Ross & Company, PLLC, presents the financial activity contained in the Fourth Quarterly Report of Knox County, Kentucky, as of and for the year ended June 30, 2007.

We engaged Ross & Company, PLLC to perform the audit of this financial activity. We worked closely with the firm during our report review process; Ross & Company, PLLC evaluated the Knox County's internal controls and compliance with applicable laws and regulations.

Respectfully submitted,

A handwritten signature in cursive script, reading "Crit Luallen".

Crit Luallen

Auditor of Public Accounts

Enclosure





## **EXECUTIVE SUMMARY**

### **AUDIT EXAMINATION OF THE KNOX COUNTY FISCAL COURT**

**June 30, 2007**

Ross & Company, PLLC was engaged to audit the financial activities of the Knox County Fiscal Court for fiscal year ended June 30, 2007 and we have issued a disclaimer of opinion thereon. In accordance with OMB Circular A-133, Knox County complied, in all material respects, with the requirements that are applicable to each of its major federal programs for the year ended June 30, 2007.

Based on our assessment of fraud risk, we determined the risk for fraud to be too high and we were unable to apply other procedures to overcome this fraud risk. In addition, the Fiscal Court had weaknesses in the design and operation of its internal control procedures and accounting functions. Furthermore, management elected to override the internal control procedures that were in place. Also, management did not provide us with a representation letter required by generally accepted auditing standards. The significance of these issues, in the aggregate, prevents us from expressing an opinion and we do not express an opinion on the financial activities of the Knox County Fiscal Court.

#### **Report Comments:**

- 2007-01 The County Should Improve Their Internal Control Procedures
- 2007-02 The County Should Maintain Proper Records For The Public Properties Corporation Fund
- 2007-03 The County Should Require The Depository Institution To Pledge Or Provide Sufficient Collateral
- 2007-04 The Former County Judge/Executive Owes The County \$6,118 Due To Overpayment Of Vacation Time Not Permitted By Statute
- 2007-05 The Former Administration Transferred \$467,779 Of Funds Prior To Fiscal Court Approval
- 2007-06 The County Did Not Follow Proper Purchase And Procurement Procedures That Resulted In Over \$962,000 Of Expenditures That Failed Testing Procedures
- 2007-07 The Former Judge Executive Purchased \$4,144 In New Furniture That Is Not In The Possession Of The County
- 2007-08 The County Owes Approximately \$31,828 In Past Due Inmate Medical Bills
- 2007-09 An Employee Of The Sheriff's Office Was Paid \$30,500 For Communications Equipment Without Fiscal Court Approval And Procurement Procedures Were Not Followed Nor Were Bid Laws
- 2007-10 Over \$2,546 Of Credit Card Expenditures Could Not Be Appropriately Validated And Were Not Properly Documented
- 2007-11 The Purpose And Location Of Work Performed Using Rental Equipment Should Be Logged Daily And Signed By The Operator
- 2007-12 The County Should Follow The Approved Salary Schedule
- 2007-13 The County Should Require All Employees To Maintain Timesheets And Keep Attendance Records
- 2007-14 The County Has Inaccurate And Incomplete Vacation And Sick Leave Records For Employees
- 2007-15 The County Should Ensure That Equal Treatment In Regards To Holiday Benefits Are Provided To All County Employees
- 2007-16 The Former Judge/Executive May Have Exceeded His Powers In Regards To Vacation
- 2007-17 The County Should Ensure That The Same Level Of Health Insurance Benefits Are Provided To All County Employees As Stated In Kentucky Attorney General Opinion (OAG) 94-15
- 2007-18 The County Judge/Executive Or A Designated Person Should Keep And Maintain Required Records
- 2007-19 The Fiscal Court Minutes Should Be Complete, Adequately Maintained, And Filed In The Proper Location

**EXECUTIVE SUMMARY**  
**AUDIT EXAMINATION OF THE**  
**KNOX COUNTY FISCAL COURT**  
**June 30, 2007**  
**(Continued)**

- 2007-20 The Treasurer Should Prepare Accurate And Complete Bank Reconciliations And 4<sup>th</sup> Quarter Report
- 2007-21 The County Should Maintain Complete And Accurate Capital Asset Schedules To Comply With GASB 34 Requirements
- 2007-22 Advisory Opinions Should Be Obtained From The Ethics Commission For Related Party Transactions Involving The Chief Deputy Sheriff
- 2007-23 Advisory Opinions Should Be Obtained From The Ethics Commission For Related Party Transactions Involving The Former County Treasurer
- 2007-24 The County Should Ensure That All Required Individuals File A Financial Disclosure Statement
- 2007-25 The County Entered Into An Agreement To Lease/Sell The Knox County Hospital Without Fiscal Court Approval And Without Complying With State Disposal Laws
- 2007-26 Checks Should Be Written In Numerical Order By Check Date
- 2007-27 The County Should Continuously Scrutinize Invoices In Order To Prevent Unallowable Or Unnecessary Expenditures
- 2007-28 The County Should Not Permit Compensatory Time Without Proper Documentation And Should Adhere To KRS 337.285
- 2007-29 The County Failed To Bid The Purchase Of An Excavator Of \$118,881

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To the People of Kentucky

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Jonathan Miller, Secretary

Finance and Administration Cabinet

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Honorable Raymond Smith, Former Knox County Judge/Executive

Members of the Knox County Fiscal Court

Independent Auditor's Report

We were engaged to audit the financial activity contained in the Fourth Quarterly Report of Knox County, Kentucky, as of and for the year ended June 30, 2007. The financial activity is the responsibility of the Knox County Fiscal Court.

The financial activity contained in the Fourth Quarterly Report is intended to present budgeted and actual revenues and expenditures of the Knox County Fiscal Court on the cash basis of accounting and also the long-term debt of the Fiscal Court. Actual revenues and expenditures are recognized when received or paid rather than when earned or incurred. The presentation of the financial activity contained in the Fourth Quarterly Report is not intended to be a presentation in conformity with generally accepted accounting principles.

Based on our assessment of fraud risk, we determined the risk of fraud to be too high, and we were unable to apply other procedures to overcome this fraud risk. In addition, the Fiscal Court had weaknesses in the design and operation of its internal control procedures and accounting functions and management elected to override the internal control procedures that were in place. In addition, management did not provide us with a representation letter required by generally accepted auditing standards.

Because of the high level of fraud risk, internal control weakness, management overrides of controls, and failure to provide a management representation letter, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial activity contained in the report referred to in the first paragraph.

Our audit was conducted for the purpose of forming an opinion on the Fourth Quarterly Report of Knox County, Kentucky. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the Fourth Quarterly Report. Because of the scope limitations discussed in paragraph three above, the scope of our work was not sufficient to enable us to express an opinion on the Fourth Quarterly Report, and likewise, and for the same reasons, we are unable to express, and we do not express, an opinion on the schedule of expenditures of federal awards in relation to the Fourth Quarterly Report.

To the People of Kentucky

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In accordance with Government Auditing Standards, we have also issued our report dated May 26, 2008, on our consideration of Knox County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Based on the results of our audit, we present the schedule of findings and questioned costs, included herein, which discusses the following report comments:

- 2007-01 The County Should Improve Their Internal Control Procedures
- 2007-02 The County Should Maintain Proper Records For The Public Properties Corporation Fund
- 2007-03 The County Should Require The Depository Institution To Pledge Or Provide Sufficient Collateral
- 2007-04 The Former County Judge/Executive Owes The County \$6,118 Due To Overpayment Of Vacation Time Not Permitted By Statute
- 2007-05 The Former Administration Transferred \$467,779 Of Funds Prior To Fiscal Court Approval
- 2007-06 The County Did Not Follow Proper Purchase And Procurement Procedures That Resulted In Over \$962,000 Of Expenditures That Failed Testing Procedures
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- 2007-18 The County Judge/Executive Or A Designated Person Should Keep And Maintain Required Records
- 2007-19 The Fiscal Court Minutes Should Be Complete, Adequately Maintained, And Filed In The Proper Location
- 2007-20 The Treasurer Should Prepare Accurate And Complete Bank Reconciliations And 4<sup>th</sup> Quarter Report

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- 2007-21 The County Should Maintain Complete And Accurate Capital Asset Schedules To Comply With GASB 34 Requirements
- 2007-22 Advisory Opinions Should Be Obtained From The Ethics Commission For Related Party Transactions Involving The Chief Deputy Sheriff
- 2007-23 Advisory Opinions Should Be Obtained From The Ethics Commission For Related Party Transactions Involving The Former County Treasurer
- 2007-24 The County Should Ensure That All Required Individuals File A Financial Disclosure Statement
- 2007-25 The County Entered Into An Agreement To Lease/Sell The Knox County Hospital Without Fiscal Court Approval And Without Complying With State Disposal Laws
- 2007-26 Checks Should Be Written In Numerical Order By Check Date
- 2007-27 The County Should Continuously Scrutinize Invoices In Order To Prevent Unallowable Or Unnecessary Expenditures
- 2007-28 The County Should Not Permit Compensatory Time Without Proper Documentation And Should Adhere To KRS 337.285
- 2007-29 The County Failed To Bid The Purchase Of An Excavator Of \$118,881

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ross & Company", written in a cursive, flowing style.

Ross & Company, PLLC  
Certified Public Accountants

May 26, 2008



KNOX COUNTY OFFICIALS

For The Year Ended June 30, 2007

**Fiscal Court Members:**

J. M. Hall	County Judge/Executive
Raymond Smith	Former County Judge/Executive
Willard Bargo (through December 31, 2006)	Magistrate
Terry Brown (beginning January 1, 2007)	Magistrate
Vernon Hamilton (through December 31, 2006)	Magistrate
Jerry Hamilton (beginning January 1, 2007)	Magistrate
Carson Gilbert	Magistrate
Doyle Gibson	Magistrate
Giulio Cima	Magistrate

**Other Elected Officials:**

Charley Dixon, Jr.	County Attorney
Preston Smith (through December 31, 2006)	Jailer
Larry D. Hammons (beginning January 1, 2007)	Jailer
Mike Corey	County Clerk
Greg Helton	Circuit Court Clerk
John Pickard	Sheriff
Bill Oxendine	Property Valuation Administrator
Jerry Garland (through December 31, 2006)	Coroner
Michael Blevins (beginning January 1, 2007)	Coroner

**Appointed Personnel:**

Tammy Wine (through May 31, 2007)	County Treasurer
Darren West (beginning June 1, 2007)	County Treasurer
Tammy Mays	Finance Officer

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**KNOX COUNTY  
FOURTH QUARTER FINANCIAL STATEMENT**

**For The Year Ended June 30, 2007**





[A-10]

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# Header File Text

## Knox County Fiscal Court

County Number	061
County Name	KNOX
Begin Date	20060701
End Date	20070630
Judge/Executive	J. M. HALL
Treasurer	DARREN K. WEST
Date Submitted	20070630
System Date	20070806 14:33:59
Source Code	FISUPL0
Filing Type	4Q

# Summary File Text

## Knox County Fiscal Court

County Fund	Fund Description	Total Receipts	Total Disburse	Cash Balance	Encumbrances	Unencumbered Bal
061 01	General Fund	3,234,184.21	2,779,716.26	454,467.95	10,809.54	443,658.41
061 02	Road Fund	2,276,705.80	1,867,228.99	409,476.81	353,812.39	55,664.42
061 03	Jail Fund	1,610,190.35	1,682,353.22	127,837.13	2,478.12	125,359.01
061 04	Local Government Economic Assistance Fund	1,383,056.74	646,393.83	736,662.91	0.00	736,662.91
061 23	OCCUPATIONAL LICENSE FUND	785,646.93	765,090.76	20,556.17	0.00	20,556.17
061 75	911 FUND	404,544.92	275,204.75	129,340.17	50.52	129,289.65
061 76	HARLAN/ KNOXJOINT E-911 FUND	165.56	0.00	165.56	0.00	165.56
061 77	FEDERAL FUNDS PROGRAM	702,230.15	628,514.00	73,716.15	52.50	73,663.65
061 78	Hospital Sinking Fund	1,463,784.76	1,483,172.47	552.29	0.00	552.29
061 79	SEKRB Park Fund	172,952.10	95,887.13	77,064.97	0.00	77,064.97
061 80	Co. Attorney DFC Fund	54,721.22	52,880.52	1,730.70	0.00	1,730.70
		12,288,122.74	10,256,551.93	2,031,570.81	367,203.07	1,664,367.74

# Reconciliation File Text

## Knox County Fiscal Court

County	Fund	Fund Description	Bank Balance	Deposits	Checks	Other	Cash Balance
061	01	General Fund	693,659.97	0.00	239,192.02	0.00	454,467.95
061	02	Road Fund	435,646.46	0.00	26,169.65	0.00	409,476.81
061	03	Jail Fund	151,919.01	0.00	24,081.88	0.00	127,837.13
061	04	Local Government Economic Assistance Fund	736,662.91	0.00	0.00	0.00	736,662.91
061	23	OCCUPATIONAL LICENSE FUND	20,556.17	0.00	0.00	0.00	20,556.17
061	75	911 FUND	135,548.52	0.00	6,208.35	0.00	129,340.17
061	76	HARLAN/KNOXJOINT E-911 FUND	165.56	0.00	0.00	0.00	165.56
061	77	FEDERAL FUNDS PROGRAM	73,716.15	0.00	0.00	0.00	73,716.15
061	78	Hospital Sinking Fund	552.29	0.00	0.00	0.00	552.29
061	79	SEKRB Park Fund	77,064.97	0.00	0.00	0.00	77,064.97
061	80	Co. Attorney DFC Fund	5,721.44	0.00	3,990.74	0.00	1,730.70
			2,331,213.45	0.00	299,642.54	0.00	2,031,570.81

# Receipts File Text

## Knox County Fiscal Count

County	Fund	Major	Suffix	Description	Original Budget	Amendments	Received YTD	Under+/Over-	Received PTD
061	01	4101		REAL ESTATE - SHERIFF	789,000.00	0.00	842,051.12	-53,051.12	62,354.26
061	01	4103		MOTOR VEHICLE TAXES	192,000.00	0.00	173,329.46	8,670.54	50,152.32
061	01	4104		DELINQUENT TAXES	40,000.00	9,851.78	90,510.88	-40,659.10	5,249.88
061	01	4107		UNMINED MINERALS	42,500.00	0.00	68,050.47	-25,550.47	3,758.51
061	01	4119		TIMBERLAND TAX	2,200.00	0.00	2,113.60	86.40	161.43
061	01	4130		BANK FRANCHISES	82,500.00	0.00	88,180.68	-5,680.68	0.00
061	01	4131		FRANCHISE CORPORATION TAX	220,000.00	0.00	106,426.99	113,573.01	95,180.26
061	01	4134		OCCUPATIONAL LICENSE FEES	0.00	7,491.20	7,491.20	0.00	0.00
061	01	4135		DEED TRANSFER	51,000.00	0.00	33,579.68	17,420.34	6,609.63
061	01	4203		TVA PILT	20.00	0.00	22.64	-2.84	0.00
061	01	4302		COUNTY CLERK EXCESS FEES	90,137.00	0.00	161,650.96	-71,513.96	0.00
061	01	4401		COMMERCIAL LICENSE	255.00	0.00	270.00	-15.00	80.00
061	01	4417		TELECOMMUNICATIONS TAX	0.00	0.00	126,431.75	-126,431.75	34,073.25
061	01	4501		OMITTED PROPERTY TAX	10,000.00	0.00	4,730.05	5,269.95	158.63
061	01	4505		MOTOR VEHICLE TAX - OTHER COUNTIES	27,500.00	0.00	38,939.38	-9,439.38	14,664.46
061	01	4510	001	STATE GRANTS	10,000.00	0.00	0.00	10,000.00	0.00
061	01	4510	002	STATE GRANTS-AREA DEVELOPMENT FUND	10,000.00	0.00	0.00	10,000.00	0.00
061	01	4520		ELECTION EXPENSE REIMBURSEMENTS	18,000.00	0.00	18,000.00	0.00	0.00
061	01	4521		BOARD OF ASSESSMENT APPEALS	400.00	0.00	400.00	0.00	0.00
061	01	4522		LEGAL PROCESS TAX	270.00	0.00	180.25	89.75	0.00
061	01	4526		STRIP MINE PERMITS	7,250.00	0.00	0.00	7,250.00	0.00
061	01	4532		AQC SPACE RENTAL	185,000.00	0.00	197,451.00	-12,451.00	54,338.50
061	01	4541		EMERGENCY MANAGEMENT REIMBURSEMENT	14,250.00	0.00	0.00	14,250.00	0.00
061	01	4549		COUNTY SHERIFF FEES (POOLING)	430,000.00	0.00	474,714.68	-44,714.68	111,515.86
061	01	4601		FIRE SUPPRESSION FEES	500.00	583.10	1,083.10	0.00	0.00
061	01	4701		VENDING MACHINE COMMISSION	1,400.00	0.00	1,369.48	30.52	345.54
061	01	4727		REIMBURSEMENTS	2,100.00	0.00	15,827.87	-13,727.87	14,635.89



# Receipts File Text

## Knox County Fiscal Court

County	Fund	Major	Suffix	Description	Original Budget	Amendments	Received YTD	Under/Over	Received PTD
061	01	4731		MISCELLANEOUS REVENUES	1,000.00	0.00	4,472.33	-3,472.33	2,190.79
061	01	4733		INSURANCE REIMBURSEMENTS	85,000.00	0.00	118,693.02	-33,693.02	43,229.93
061	01	4756		POLICE SERVICES REIMBURSEMENT (HB413)	13,200.00	0.00	14,653.35	-1,453.35	3,921.74
061	01	4760		COURT SETTLEMENTS	0.00	95,983.90	95,983.90	0.00	0.00
061	01	4799		OTHER RECEIPTS	9,000.00	0.00	11,105.20	-2,105.20	0.00
061	01	4806		INTEREST ON CHECKING	10,000.00	0.00	14,897.04	-4,897.04	5,464.71
061	01	4808		INTEREST FROM KARP	7,600.00	0.00	0.00	7,600.00	0.00
061	01	4901		SURPLUS PRIOR YEAR	350,000.00	591,418.42	941,418.42	0.00	0.00
061	01	4903		ADJUSTMENTS TO PRIOR YEAR SURPLUS	0.00	0.00	1,066.80	-1,066.80	0.00
061	01	4909		TRANSFER OUT	-1,371,356.69	0.00	-2,307,923.11	936,566.42	-845,752.50
061	01	4910		TRANSFER IN	1,656,000.00	0.00	1,888,912.04	-232,912.04	568,297.99
061	02	4205		NATIONAL FOREST PILOT	110.00	0.00	143.12	-33.12	0.00
061	02	4404		OVERWEIGHT COAL TRUCKS	5,400.00	0.00	0.00	5,400.00	0.00
061	02	4510		STATE GRANTS - LITTER ABATEMENT	0.00	0.00	48,680.25	-48,680.25	0.00
061	02	4514		STATE GRANTS-GA PAVING/BRIDGE REPL	0.00	0.00	0.00	0.00	0.00
061	02	4514	001	STATE GRANTS - PAVING	50,000.00	0.00	0.00	50,000.00	0.00
061	02	4514	002	STATE GRANTS - BRIDGES	513,447.00	0.00	0.00	513,447.00	0.00
061	02	4515		ENERGY RECOVERY	600.00	0.00	0.00	600.00	0.00
061	02	4516		TRUCK LICENSE REFUND	242,000.00	0.00	232,937.56	9,062.44	0.00
061	02	4517		DRIVER'S LICENSE REFUND	3,500.00	0.00	2,855.25	644.75	0.00
061	02	4518		COUNTY ROAD AID	970,000.00	0.00	960,235.00	9,765.00	0.00
061	02	4519		MUNICIPAL ROAD AID	60,000.00	30,922.00	114,073.00	-23,151.00	0.00
061	02	4542		FEMA REIMBURSEMENTS	50,000.00	0.00	0.00	50,000.00	0.00
061	02	4704		SURPLUS EQUIPMENT SALE	20,000.00	0.00	173,910.00	-153,910.00	173,910.00
061	02	4727		REIMBURSEMENTS	1,000.00	0.00	9,842.84	-8,842.84	0.00
061	02	4731		MISCELLANEOUS REVENUES	1,000.00	0.00	0.00	1,000.00	0.00
061	02	4733		INSURANCE REIMBURSEMENT	0.00	0.00	0.00	0.00	0.00

# Receipts File Text

## Knox County Fiscal Court

County Fund	Major Suffix	Description	Original Budget	Amendments	Received YTD	Under/Over	Received/PTD
061	02	4806	INTEREST EARNED ON CHECKING	3,200.00	0.00	-252.05	903.75
061	02	4808	INTEREST ON KARP	3,000.00	0.00	3,000.00	0.00
061	02	4901	SURPLUS PRIOR YEAR	50,000.00	51,504.09	0.00	0.00
061	02	4903	ADJUSTMENTS TO PRIOR YEAR SURPLUS	0.00	0.00	-170.20	0.00
061	02	4909	TRANSFER OUT	0.00	0.00	0.00	0.00
061	02	4910	TRANSFER IN	0.00	0.00	-628,902.44	400,000.00
061	03	4510	STATE GRANT	0.00	0.00	-28,000.00	28,000.00
061	03	4533	STATE/JAIL ALLOTMENT	74,000.00	0.00	-4,759.79	14,887.89
061	03	4534	STATE JAIL MEDICAL	7,200.00	0.00	1,164.64	3,017.68
061	03	4535	COURT COST COLLECTION (HB452)	13,200.00	0.00	-603.07	2,522.94
061	03	4538	DUI FEES	6,000.00	0.00	-1,148.61	2,156.75
061	03	4559	SSA INCENTIVE PAY	0.00	0.00	-400.00	0.00
061	03	4727	REIMBURSEMENTS	2,500.00	0.00	-2,633.60	4,795.00
061	03	4731	MISCELLANEOUS REVENUES	500.00	0.00	500.00	0.00
061	03	4799	OTHER RECEIPTS	500.00	0.00	500.00	0.00
061	03	4806	INTEREST ON CHECKING	800.00	0.00	-396.28	432.69
061	03	4901	SURPLUS PRIOR YEAR	30,000.00	14,571.31	0.00	0.00
061	03	4903	ADJUSTMENTS TO PRIOR YEAR SURPLUS	0.00	0.00	-142.33	0.00
061	03	4910	TRANSFER IN	1,371,356.69	0.00	-253,643.31	425,000.00
061	04	4510	STATE GRANTS	350,000.00	750,000.00	392,307.16	330,000.00
061	04	4510	STATE GRANTS - HB380 WELLNESS CENTER	0.00	2,000,000.00	2,000,000.00	0.00
061	04	4527	COAL SEVERANCE TAX	220,000.00	0.00	-74,609.73	70,700.95
061	04	4529	MINERALS SEVERANCE TAX	350,000.00	0.00	-165,625.27	127,235.13
061	04	4731	MISCELLANEOUS REVENUE	0.00	0.00	0.00	0.00
061	04	4806	INTEREST ON CHECKING ACCOUNTS	2,500.00	0.00	-5,245.86	4,289.13
061	04	4901	SURPLUS PRIOR YEAR	25,000.00	18,712.04	0.00	0.00
061	04	4909	TRANSFER OUT	0.00	0.00	204,229.00	-94,229.00

# Receipts File Text

## Knox County Fiscal Court

County	Fund	Major	Suffix	Description	Original Budget	Amendments	Received YTD	Under+Over	Received PTD
061	04	4910		TRANSFER IN	0.00	0.00	17,900.00	-17,900.00	0.00
061	23	4134		OCCUPATIONAL LICENSE FEES	2,400,000.00	0.00	2,544,907.16	-144,907.16	670,061.14
061	23	4806		INTEREST ON CHECKING	3,000.00	0.00	3,027.24	-27.24	914.30
061	23	4901		SURPLUS PRIOR YEAR	10,000.00	9,258.46	19,258.46	0.00	0.00
061	23	4903		ADJUSTMENTS TO PRIOR YEAR SURPLUS	0.00	0.00	516.11	-516.11	0.00
061	23	4909		TRANSFER OUT	-1,656,000.00	0.00	-1,782,062.04	126,062.04	-493,297.99
061	75	4140		TELEPHONE / 911 TAXES	220,000.00	0.00	165,931.14	54,068.86	32,019.70
061	75	4727		REIMBURSEMENTS	300.00	0.00	120.00	180.00	0.00
061	75	4731		MISCELLANEOUS REVENUE	0.00	0.00	60.00	-60.00	60.00
061	75	4733		INSURANCE REIMBURSEMENTS	0.00	12,050.00	12,050.00	0.00	0.00
061	75	4806		INTEREST ON CHECKING	6,500.00	0.00	4,264.98	2,235.02	875.78
061	75	4901		SURPLUS PRIOR YEAR	200,000.00	22,118.80	222,118.80	0.00	0.00
061	75	4909		TRANSFER OUT	0.00	0.00	0.00	0.00	0.00
061	75	4910		TRANSFER IN	0.00	0.00	0.00	0.00	0.00
061	76	4562		WIRELESS 911	32,000.00	0.00	50.00	31,950.00	0.00
061	76	4806		INTEREST ON CHECKING	300.00	0.00	3.25	296.75	0.71
061	76	4901		SURPLUS PRIOR YEAR	5,000.00	-4,887.69	112.31	0.00	0.00
061	77	4503	001	FEDERAL REIMBURSEMENTS-TRI-COUNTY ACC	134,089.04	0.00	53,445.00	80,644.04	0.00
061	77	4504		FEDERAL GRANTS	0.00	0.00	0.00	0.00	0.00
061	77	4504		CDBG-SENIOR CITIZENS CENTER	0.00	0.00	0.00	0.00	0.00
061	77	4504	001	FEDERAL GRANTS - PRIDE SANITARY SEWER	0.00	1,078.50	18,133.50	-17,055.00	17,055.00
061	77	4504	002	FEDERAL GRANTS - PRIDE COMMUNITY GRANT	50,000.00	0.00	49,735.32	264.68	0.00
061	77	4504	003	CDBG-SENIOR CITIZENS CENTER	500,000.00	0.00	490,000.00	10,000.00	269,208.00
061	77	4504	004	FEDERAL GRANTS - BIMBLE-SEWER PROJECT	0.00	13,000.00	13,000.00	0.00	0.00
061	77	4504	005	FEDERAL GRANTS - PRIDE GRANT SG06-05	0.00	85,000.00	0.00	85,000.00	0.00
061	77	4504	006	FEDERAL GRANTS - PRIDE GRANT CF06-16	0.00	45,000.00	0.00	45,000.00	0.00
061	77	4512		HOMELAND SECURITY GRANTS	0.00	0.00	0.00	0.00	0.00

# Receipts File Text

## Knox County Fiscal Court

County Fund	Major	Suffix	Description	Original Budget	Amendments	Received YTD	Under+/Over-	Received PTD
061	77	4512	FEDERAL GRANTS-HOMELAND SECURITY	0.00	0.00	0.00	0.00	0.00
061	77	4512	FEDERAL GRANTS-HOMELAND SECURITY	558,079.00	0.00	0.00	558,079.00	0.00
061	77	4546	IGT TRANSFER - KNOX CO. HOSPITAL	130,000.00	0.00	0.00	130,000.00	0.00
061	77	4901	SURPLUS PRIOR YEAR	0.00	11,102.33	11,102.33	0.00	0.00
061	77	4909	TRANSFER OUT	0.00	0.00	-49,750.00	49,750.00	0.00
061	77	4910	TRANSFER IN	0.00	0.00	116,564.00	-116,564.00	19,229.00
061	78	4705	SURPLUS REAL PROPERTY SALES	300,000.00	0.00	150,000.00	150,000.00	0.00
061	78	4711	HOSPITAL LEASE PAYMENTS	1,087,246.41	0.00	537,000.00	550,246.41	0.00
061	78	4727	REIMBURSEMENTS	0.00	0.00	0.00	0.00	0.00
061	78	4731	MISCELLANEOUS REVENUE	0.00	0.00	0.00	0.00	0.00
061	78	4806	INTEREST ON CHECKING	10,000.00	0.00	4,143.66	5,856.34	0.00
061	78	4901	SURPLUS PRIOR YEAR	579,734.69	128,555.37	708,290.06	0.00	0.00
061	78	4903	ADJUSTMENTS TO PRIOR YEAR SURPLUS	0.00	0.00	1,614.00	-1,614.00	0.00
061	78	4910	TRANSFER IN	0.00	0.00	62,677.04	-62,677.04	20,752.50
061	79	4101	REAL PROPERTY TAXES-SHERIFF	200.00	0.00	0.00	200.00	0.00
061	79	4134	OCCUPATIONAL LICENSE FEES	100,000.00	0.00	114,925.78	-14,925.78	29,478.81
061	79	4806	INTEREST ON CHECKING ACCOUNT	300.00	0.00	1,108.34	-808.34	407.77
061	79	4901	SURPLUS PRIOR YEAR	50,000.00	2,909.35	52,909.35	0.00	0.00
061	79	4910	TRANSFER IN	0.00	0.00	4,008.63	-4,008.63	0.00
061	80	4504	FEDERAL GRANTS	0.00	0.00	53,235.14	-53,235.14	22,940.80
061	80	4733	INSURANCE REIMBURSEMENT	0.00	0.00	1,486.08	-1,486.08	1,486.08
061	80	4901	SURPLUS PRIOR YEAR	0.00	55,157.00	0.00	55,157.00	0.00
				12,124,288.14	3,951,379.96	12,288,122.74	3,787,545.36	2,315,445.59



# Disbursements File Text

## Knox County Fiscal Court

County Fund	Major	Minor	Suffix	Description	Orig. Budget	Amendments	Transfers	Tot. Avail.	Claims Paid	Free Bal.
061	01	5001	101	JUDGE/EXECUTIVE SALARY	79,246.06	0.00	1,000.00	80,246.06	80,238.76	7.30
061	01	5001	103	JUDGE/EXECUTIVE DEPUTY SALARY	45,000.00	0.00	0.00	45,000.00	44,807.71	192.29
061	01	5001	104	JUDGE/EXECUTIVE FINANCE OFFICER	21,840.00	0.00	0.00	21,840.00	16,865.98	4,974.02
061	01	5001	105	JUDGE/EXECUTIVE ADMIN. ASSISTANT	18,837.00	0.00	0.00	18,837.00	17,984.30	852.70
061	01	5001	167	JUDGE/EXECUTIVE CLERICAL	16,380.00	0.00	0.00	16,380.00	13,265.96	3,114.04
061	01	5001	179	JUDGE/EXECUTIVE TEMP/PART-TIME CLERICAL	0.00	0.00	4,000.00	4,000.00	2,930.20	1,069.80
061	01	5001	212	JUDGE/EXECUTIVE TRAINING FRINGE BENEFIT	3,301.96	0.00	0.00	3,301.96	0.00	3,301.96
061	01	5001	318	JUDGE/EXECUTIVE DATA PROCESSING	5,300.00	0.00	0.00	5,300.00	1,251.25	4,048.75
061	01	5001	382	Drug Testing	0.00	0.00	0.00	0.00	0.00	0.00
061	01	5001	445	JUDGE/EXECUTIVE OFFICE SUPPLIES	19,000.00	0.00	0.00	19,000.00	15,626.86	3,373.14
061	01	5001	499	JUDGE/EXECUTIVE OTHER SUPPLIES	0.00	0.00	7,500.00	7,500.00	7,064.15	435.85
061	01	5001	563	JUDGE/EXECUTIVE POSTAGE	1,200.00	0.00	0.00	1,200.00	512.88	687.12
061	01	5001	573	JUDGE/EXECUTIVE TELEPHONE	14,000.00	0.00	1,600.00	15,600.00	14,962.81	637.19
061	01	5001	599	JUDGE/EXECUTIVE MISC.	0.00	0.00	616.00	616.00	615.74	0.26
061	01	5001	725	JUDGE/EXECUTIVE OFFICE EQUIPMENT	5,000.00	0.00	0.00	5,000.00	2,444.81	2,555.19
061	01	5005	101	COUNTY ATTORNEY SALARY	11,400.00	0.00	0.00	11,400.00	11,399.58	0.42
061	01	5005	165	COUNTY ATTORNEY SECRETARY	27,636.00	0.00	0.00	27,636.00	27,585.31	50.69
061	01	5005	445	COUNTY ATTORNEY OFFICE SUPPLIES	3,500.00	0.00	200.00	3,700.00	3,551.74	148.26
061	01	5005	573	COUNTY ATTORNEY TELEPHONE	3,000.00	0.00	0.00	3,000.00	2,908.99	91.01
061	01	5010	302	COUNTY CLERK ADVERTISING	250.00	0.00	500.00	750.00	638.40	111.60
061	01	5010	307	COUNTY CLERK AUDIT	1,000.00	0.00	10,800.00	11,800.00	11,787.46	12.54
061	01	5010	364	COUNTY CLERK RENT	6,000.00	0.00	0.00	6,000.00	6,000.00	0.00
061	01	5010	368	COUNTY CLERK TAX BILLS	3,600.00	0.00	6,000.00	9,600.00	8,307.55	1,292.45
061	01	5010	573	COUNTY CLERK TELEPHONE	13,000.00	0.00	2,400.00	15,400.00	15,988.16	-588.16
061	01	5010	578	COUNTY CLERK UTILITIES	2,000.00	0.00	0.00	2,000.00	1,533.71	466.29
061	01	5015	101	COUNTY SHERIFF	79,247.06	0.00	1,335.00	80,582.06	80,581.56	0.50
061	01	5015	103	SHERIFF DEPUTY SALARIES	340,227.14	0.00	10,550.00	350,777.14	350,849.98	-72.84
061	01	5015	181	SHERIFF DEPUTY INCENTIVE PAY	0.00	0.00	15,715.00	15,715.00	15,972.69	-257.69
061	01	5015	212	SHERIFF-TRAINING FRINGE BENEFIT	3,301.96	0.00	0.00	3,301.96	3,301.96	0.00
061	01	5015	302	SHERIFF-ADVERTISING DELINQUENT TAXES	17,000.00	0.00	0.00	17,000.00	8,676.00	8,324.00
061	01	5015	307	SHERIFF AUDIT FEE	17,000.00	0.00	11,050.00	28,050.00	28,043.21	6.79
061	01	6015	340	SHERIFF VEHICLE MAINTENANCE	15,000.00	0.00	0.00	15,000.00	14,573.64	426.36

# Disbursements File Text

## Knox County Fiscal Court

County	Fund	Major	Minor	Suffix	Description	Orig.	Budget	Amendments	Transfers	Tot. Avail.	Claims Paid	Free Bal.
061	01	5015	445		SHERIFF OFFICE MATERIALS AND SUPPLIES	14,000.00	0.00	0.00	0.00	14,000.00	12,156.25	1,843.75
061	01	5015	455		SHERIFF PETROLEUM PRODUCTS	42,500.00	0.00	0.00	10,000.00	52,500.00	51,114.92	1,385.08
061	01	5015	481		SHERIFF UNIFORMS	2,500.00	0.00	0.00	20,600.00	23,100.00	23,077.07	22.93
061	01	5015	499		SHERIFF OTHER SUPPLIES	0.00	0.00	0.00	7,625.00	7,625.00	7,645.44	-20.44
061	01	5015	531		SHERIFF INSURANCE & BONDS	500.00	0.00	0.00	0.00	500.00	101.50	398.50
061	01	5015	551		SHERIFF MEMBERSHIP DUES	505.00	0.00	0.00	1,600.00	2,105.00	2,010.00	95.00
061	01	5015	563		SHERIFF POSTAGE	8,200.00	0.00	0.00	0.00	8,200.00	8,101.99	98.01
061	01	5015	573		SHERIFF TELEPHONE	7,500.00	0.00	0.00	0.00	7,500.00	7,845.73	-345.73
061	01	5015	574		SHERIFF DEPUTY TRAINING	1,500.00	0.00	0.00	0.00	1,500.00	0.00	1,500.00
061	01	5015	725		SHERIFF EQUIPMENT	0.00	0.00	0.00	3,500.00	3,500.00	3,299.97	200.03
061	01	5020	101		CORONER SALARY	15,833.00	0.00	0.00	0.00	15,833.00	15,832.96	0.04
061	01	5020	103		CORONER DEPUTY SALARY	5,460.00	0.00	0.00	62.00	5,522.00	5,521.75	0.25
061	01	5020	308		CORONER AUTOPSY TRIPS	7,500.00	0.00	0.00	5,000.00	12,500.00	6,793.00	5,707.00
061	01	5020	448		CORONER SUPPLIES	500.00	0.00	0.00	1,000.00	1,500.00	645.31	854.69
061	01	5020	531		CORONER BONDS	200.00	0.00	0.00	150.00	350.00	101.50	248.50
061	01	5025	101		FISCAL COURT MAGISTRATES SALARY	93,220.00	0.00	0.00	0.00	93,220.00	92,503.32	716.68
061	01	5025	167		FISCAL COURT CLERK SALARY	1,300.00	0.00	0.00	100.00	1,400.00	1,350.00	50.00
061	01	5025	210		FISCAL COURT EXP. ALLOW. FOR COMMITTEES	18,000.00	0.00	0.00	0.00	18,000.00	17,850.00	150.00
061	01	5025	212		FISCAL COURT MAGISTRATES' TNG INCENTIVE	16,509.80	0.00	0.00	3,000.00	19,509.80	19,409.07	100.73
061	01	5025	302		FISCAL COURT ADVERTISING	7,500.00	0.00	0.00	0.00	7,500.00	3,595.20	3,904.80
061	01	5025	319		FISCAL COURT WEBSITE DEVELOPMENT	0.00	0.00	0.00	3,245.00	3,245.00	2,745.00	500.00
061	01	5025	332		FISCAL COURT LEGAL FEES	5,000.00	0.00	0.00	0.00	5,000.00	1,463.75	3,536.25
061	01	5025	531		FISCAL COURT BONDS	0.00	0.00	0.00	855.00	855.00	841.44	13.56
061	01	5025	566		FISCAL COURT REIMBURSEMENT	10,000.00	0.00	0.00	0.00	10,000.00	15.54	9,984.46
061	01	5030	302		PVA ADVERTISING	100.00	0.00	0.00	0.00	100.00	0.00	100.00
061	01	5030	367		PVA STATUTORY CONTRIBUTION	35,500.00	0.00	0.00	50.00	35,550.00	35,550.00	0.00
061	01	5030	573		PVA TELEPHONE	2,600.00	0.00	0.00	205.00	2,805.00	2,862.54	-57.54
061	01	5035	191		BOARD OF ASSESSMENT APPEALS	800.00	0.00	0.00	0.00	800.00	800.00	0.00
061	01	5040	102		TREASURER - SALARY	35,000.00	0.00	0.00	3,800.00	38,800.00	38,779.12	20.88
061	01	5040	445		TREASURER OFFICE SUPPLIES	1,000.00	0.00	0.00	3,400.00	4,400.00	3,969.69	430.31
061	01	5040	531		TREASURER BOND	3,750.00	0.00	0.00	4,776.00	8,526.00	8,526.00	0.00
061	01	5040	725		TREASURER EQUIPMENT	2,500.00	0.00	0.00	0.00	2,500.00	0.00	2,500.00

# Disbursements File Text

## Knox County Fiscal Court

County Fund	Major	Minor	Suffix	Description	Orig	Budget	Amendments	Transfers	Tot Avail	Claims Paid	Free Bal.
061	01	5047	142	OCCUPATIONAL TAX ADMINISTRATOR	30,000.00	0.00	0.00	0.00	30,000.00	29,730.87	269.13
061	01	5047	167	OCCUPATIONAL TAX CLERICAL	15,288.00	0.00	0.00	0.00	15,288.00	5,993.93	9,294.07
061	01	5047	318	OCCUPATIONAL TAX DATA PROCESSING	1,800.00	0.00	0.00	0.00	1,800.00	0.00	1,800.00
061	01	5047	332	OCCUPATIONAL TAX LEGAL FEES	1,200.00	0.00	0.00	0.00	1,200.00	0.00	1,200.00
061	01	5047	445	OCCUPATIONAL TAX SUPPLIES	2,000.00	0.00	0.00	0.00	2,000.00	1,546.97	453.03
061	01	5047	503	OCCUPATIONAL TAX BANK CHARGES	100.00	0.00	0.00	0.00	100.00	0.00	100.00
061	01	5047	563	OCCUPATIONAL TAX POSTAGE	3,000.00	0.00	0.00	0.00	3,000.00	1,973.40	1,026.60
061	01	5047	567	OCCUPATIONAL TAX REFUNDS	22,000.00	0.00	0.00	0.00	22,000.00	0.00	22,000.00
061	01	5047	576	OCCUPATIONAL TAX TRAVEL	500.00	0.00	1,700.00	0.00	2,200.00	1,243.21	956.79
061	01	5047	725	OCCUPATIONAL TAX OFFICE EQUIPMENT	3,500.00	0.00	0.00	0.00	3,500.00	315.00	3,185.00
061	01	5065	192	ELECTION OFFICERS SALARIES/MILEAGE	32,600.00	0.00	0.00	0.00	32,600.00	32,260.36	339.64
061	01	5065	193	ELECTION COMMISSIONERS SALARIES	4,000.00	0.00	0.00	0.00	4,000.00	3,500.00	500.00
061	01	5065	302	ELECTION ADVERTISING	13,200.00	0.00	0.00	0.00	13,200.00	4,500.00	8,700.00
061	01	5065	341	ELECTION MAINTENANCE & REPAIR	16,000.00	0.00	19,495.00	0.00	35,495.00	35,492.43	2.57
061	01	5065	347	ELECTIONS POLLING PLACES RENTAL	2,400.00	0.00	0.00	0.00	2,400.00	2,400.00	0.00
061	01	5065	399	ELECTIONS DELIVERY OF VOTING MACHINES	1,000.00	0.00	0.00	0.00	1,000.00	1,960.00	40.00
061	01	5075	446	ECONOMIC DEVELOPMENT	11,000.00	0.00	0.00	0.00	11,000.00	1,000.00	10,000.00
061	01	5080	175	COURTHOUSE CUSTODIAL PERSONNEL	84,041.00	0.00	10,500.00	0.00	74,541.00	73,926.64	614.36
061	01	5080	177	COURTHOUSE MAINT. & GROUNDS PERSONNEL	27,300.00	0.00	0.00	0.00	27,300.00	21,310.37	5,989.63
061	01	5080	336	COURTHOUSE MAINTENANCE & REPAIR	40,000.00	0.00	0.00	0.00	40,000.00	30,943.35	9,056.65
061	01	5080	366	COURTHOUSE GARBAGE COLLECTION	1,800.00	0.00	1,700.00	0.00	3,500.00	1,846.75	1,653.25
061	01	5080	406	COURTHOUSE SUPPLIES	8,000.00	0.00	2,000.00	0.00	10,000.00	9,276.20	723.80
061	01	5080	570	COURTHOUSE RENEWAL & REPAIR	7,500.00	0.00	15,200.00	0.00	22,700.00	19,760.74	2,939.26
061	01	5080	578	COURTHOUSE UTILITIES	52,000.00	0.00	0.00	0.00	52,000.00	41,946.48	10,053.52
061	01	5080	725	COURTHOUSE EQUIPMENT	2,500.00	0.00	150.00	0.00	2,650.00	2,650.00	0.00
061	01	5135	107	DES SALARY	18,900.00	0.00	0.00	0.00	18,900.00	18,865.56	34.44
061	01	5135	445	DES OFFICE SUPPLIES	1,200.00	0.00	0.00	0.00	1,200.00	0.00	1,200.00
061	01	5135	455	DES PETROLEUM PRODUCTS	3,800.00	0.00	1,500.00	0.00	5,300.00	4,785.02	514.98
061	01	5135	574	DES TRAINING	1,500.00	0.00	0.00	0.00	1,500.00	100.00	1,400.00
061	01	5140	446	EMS EQUIPMENT	10,000.00	0.00	16,720.00	0.00	26,720.00	26,633.57	86.43
061	01	5150	513	FOREST FIRE PROTECTION FUND	3,616.00	0.00	0.00	0.00	3,616.00	0.00	3,616.00
061	01	5175	573	PUBLIC ADVOCACY-TELEPHONE	1,500.00	0.00	0.00	0.00	1,500.00	1,389.84	110.16

# Disbursements File Text

## Knox County Fiscal Court

County Fund	Major	Minor	Suffix	Description	Orig Budget	Amendments	Transfers	Tot Avail	Claims Paid	Free Bal
061	01	5175	903	PUBLIC ADVOCACY	9,900.00	0.00	0.00	9,900.00	3,974.00	5,926.00
061	01	5205	102	ANIMAL CONTROL DOG WARDEN	17,472.00	0.00	0.00	17,472.00	13,811.54	3,660.46
061	01	5205	340	ANIMAL CONTROL VEHICLE MAINTENANCE	3,000.00	0.00	0.00	3,000.00	1,445.30	1,554.70
061	01	5205	398	ANIMAL CONTROL CONTRACT SERVICES	15,000.00	0.00	0.00	15,000.00	11,250.00	3,750.00
061	01	5205	446	ANIMAL CONTROL SUPPLIES	4,000.00	0.00	0.00	4,000.00	3,260.15	739.85
061	01	5205	455	ANIMAL CONTROL PETROLEUM PRODUCTS	7,500.00	0.00	0.00	7,500.00	5,977.69	1,522.31
061	01	5205	573	ANIMAL CONTROL TELEPHONE	700.00	0.00	0.00	700.00	102.03	597.97
061	01	5205	574	ANIMAL CONTROL TRAINING	500.00	0.00	0.00	500.00	0.00	500.00
061	01	5205	739	ANIMAL CONTROL EQUIPMENT	2,500.00	0.00	0.00	2,500.00	0.00	2,500.00
061	01	5212	107	SOLID WASTE COORDINATOR	19,656.00	0.00	0.00	19,656.00	7,765.35	11,890.65
061	01	5212	302	SOLID WASTE ADVERTISING	100.00	0.00	0.00	100.00	28.00	72.00
061	01	5212	366	SOLID WASTE GARBAGE COLLECTION	5,000.00	0.00	3,750.00	8,750.00	8,741.48	8.52
061	01	5212	445	SOLID WASTE SUPPLIES & MATERIALS	8,500.00	0.00	0.00	8,500.00	4,860.57	3,639.43
061	01	5212	455	SOLID WASTE PETROLEUM PRODUCTS	20,000.00	0.00	0.00	20,000.00	10,689.48	9,310.52
061	01	5212	569	SOLID WASTE CONFERENCES, TRAINING	800.00	0.00	0.00	800.00	232.09	567.91
061	01	5212	573	SOLID WASTE TELEPHONE	2,500.00	0.00	0.00	2,500.00	1,363.85	1,136.15
061	01	5212	592	SOLID WASTE VEHICLE MAINT. & REPAIR	7,500.00	0.00	0.00	7,500.00	1,543.08	5,956.94
061	01	5212	725	SOLID WASTE EQUIPMENT	1,000.00	0.00	0.00	1,000.00	189.95	810.05
061	01	5230	567	HOSPITAL REFUND	0.00	0.00	200,000.00	200,000.00	200,000.00	0.00
061	01	5233	507	MENTAL HEALTH & RETARDATION	5,880.00	0.00	0.00	5,880.00	0.00	5,880.00
061	01	5305	507	SENIOR CITIZEN PROGRAM	10,000.00	0.00	0.00	10,000.00	96.00	9,904.00
061	01	5401	348	CORBIN LITTLE LEAGUE PROGRAM SUPPORT	1,000.00	0.00	0.00	1,000.00	1,000.00	0.00
061	01	5401	398	KAY JAY CONTRACT SERVICES	5,000.00	0.00	0.00	5,000.00	2,955.80	2,044.20
061	01	5401	398	BENNETT PARK CONTRACT SERVICES	0.00	0.00	820.00	820.00	818.24	1.76
061	01	5401	398	GIRDLER PARK CONTRACT SERVICES	0.00	0.00	9,890.00	9,890.00	9,880.27	9.73
061	01	5401	467	KAY JAY MATERIALS & SUPPLIES	2,500.00	0.00	0.00	2,500.00	753.94	1,746.06
061	01	5401	467	BENNETT PARK MATERIALS & SUPPLIES	0.00	0.00	2,000.00	2,000.00	1,211.22	788.78
061	01	5401	467	GIRDLER PARK MATERIALS & SUPPLIES	0.00	0.00	6,000.00	6,000.00	5,563.63	436.37
061	01	5401	578	KAY JAY UTILITIES	500.00	0.00	40.00	540.00	536.30	3.70
061	01	5401	578	BENNETT PARK UTILITIES	0.00	0.00	500.00	500.00	282.81	217.19
061	01	5401	578	GIRDLER PARK UTILITIES	0.00	0.00	500.00	500.00	131.12	368.88
061	01	7700	602	PAYMENT ON LEASE (SHERIFF VEHICLES)	0.00	0.00	86,702.61	86,702.61	69,426.11	17,276.50



# Disbursements File Text

## Knox County Fiscal Court

County Fund	Major	Minor	Suffix	Description	Orig. Budget	Amendments	Transfers	Tot. Avail.	Claims Paid	Free Bal.
061	01	7700	606	INTEREST ON LEASE (SHERIFF VEHICLES)	0.00	0.00	7,096.57	7,096.57	4,424.44	2,672.13
061	01	9100	307	STATE AUDITING SERVICES	150,000.00	0.00	0.00	150,000.00	104,143.92	45,856.08
061	01	9100	521	INSURANCE	90,000.00	0.00	0.00	90,000.00	119,872.17	-29,872.17
061	01	9100	531	INSURANCE - BONDS	600.00	0.00	0.00	600.00	201.50	398.50
061	01	9100	551	MEMBERSHIPS	19,300.00	0.00	0.00	19,300.00	4,235.85	15,064.15
061	01	9100	569	REGISTRATION, CONFERENCES & TRAINING	20,000.00	0.00	6,000.00	26,000.00	25,428.96	571.04
061	01	9200	999	RESERVE FOR TRANSFERS	448,327.33	705,328.40	-1,265,498.18	-111,842.45	0.00	-111,842.45
061	01	9300	999	TRANSFER OF APPROPRIATIONS	0.00	0.00	610,000.00	610,000.00	0.00	610,000.00
061	01	9400	201	SOCIAL SECURITY, CO. MATCH	80,000.00	0.00	0.00	80,000.00	74,228.10	5,771.90
061	01	9400	202	RETIREMENT, CO. MATCH	142,000.00	0.00	0.00	142,000.00	126,466.33	15,533.67
061	01	9400	205	EMPLOYEE HEALTH INSURANCE	276,000.00	0.00	75,000.00	351,000.00	346,224.76	4,775.24
061	01	9400	208	UNEMPLOYMENT COMPENSATION INSURANCE	25,000.00	0.00	0.00	25,000.00	0.00	25,000.00
061	01	9400	209	WORKMEN'S COMPENSATION	60,000.00	0.00	0.00	60,000.00	44,950.15	15,049.85
061	01	9400	299	COBRA PAYMENTS	0.00	0.00	0.00	0.00	1,520.00	-1,520.00
061	02	5065	192	ELECTION OFFICERS SALARIES/MILEAGE	0.00	0.00	137.00	137.00	136.10	0.90
061	02	5401	718	GIRDLER PARK CONSTRUCTION PROJECT	0.00	0.00	15,700.00	15,700.00	15,611.93	88.07
061	02	6100	599	MISC EXPENSES	0.00	0.00	0.00	0.00	229.92	-229.92
061	02	6103	102	ROAD SUPERVISOR SALARY	30,000.00	0.00	0.00	30,000.00	25,321.29	4,678.71
061	02	6103	143	ROAD WORKERS	0.00	0.00	0.00	0.00	3,324.51	-3,324.51
061	02	6103	551	ROAD SUPERVISOR MEMBERSHIP	250.00	0.00	0.00	250.00	0.00	250.00
061	02	6105	102	ROAD SUPERVISOR	0.00	0.00	0.00	0.00	10,386.85	-10,386.85
061	02	6105	143	ROAD WORKERS SALARIES	406,750.72	0.00	11,200.00	419,950.72	419,945.75	4.97
061	02	6105	302	ROAD PRINTING & ADVERTISING	500.00	0.00	0.00	500.00	5.29	494.71
061	02	6105	311	ROAD MAINTENANCE CONTRACTED CONST. ROADS	50,000.00	0.00	-47,000.00	3,000.00	292.50	2,707.50
061	02	6105	312	CONTRACTED CONSTRUCTION-BRIDGES	513,447.00	0.00	-350,229.00	163,218.00	19,556.80	143,661.20
061	02	6105	348	LITTER ABATEMENT-SUPPORT	50,000.00	0.00	43,330.00	93,330.00	93,326.09	3.91
061	02	6105	366	GARBAGE SERVICE	1,800.00	0.00	0.00	1,800.00	1,520.00	280.00
061	02	6105	373	CONTRACT LABOR	10,000.00	0.00	83,200.00	93,200.00	91,265.00	1,935.00
061	02	6105	441	NEW MACHINERY & EQUIPMENT	0.00	0.00	68,700.00	68,700.00	71,177.15	-2,477.15
061	02	6105	443	MOTOR VEHICLE REPAIR PARTS	60,000.00	0.00	5,000.00	65,000.00	48,300.06	16,699.94
061	02	6105	445	OFFICE SUPPLIES	3,000.00	0.00	0.00	3,000.00	1,382.31	1,617.69
061	02	6105	447	ROAD MATERIALS	345,984.28	0.00	593,612.00	939,596.28	762,157.89	177,438.39

# Disbursements File Text

## Knox County Fiscal Court

County Fund	Major	Minor	Suffix	Description	Orig. Budget	Amendments	Transfers	Tot. Avail.	Claims Paid	Free Bal.
061	02	6105	455	PETROLEUM PRODUCTS	90,000.00	0.00	26,000.00	116,000.00	115,233.68	766.32
061	02	6105	499	ROAD OTHER SUPPLIES	0.00	0.00	17,400.00	17,400.00	16,988.58	411.42
061	02	6105	503	BANK CHARGES	25.00	0.00	0.00	25.00	10.90	14.10
061	02	6105	573	ROAD TELEPHONE	2,500.00	0.00	0.00	2,500.00	2,279.64	220.36
061	02	6105	578	UTILITIES	3,500.00	0.00	0.00	3,500.00	2,905.30	594.70
061	02	6105	713	ROAD EQUIPMENT	5,000.00	0.00	-3,449.00	1,551.00	550.06	1,000.94
061	02	9100	307	AUDIT	7,500.00	0.00	0.00	7,500.00	0.00	7,500.00
061	02	9100	521	INSURANCE	65,000.00	0.00	0.00	65,000.00	2,504.74	62,495.26
061	02	9200	999	RESERVE FOR TRANSFERS	69,945.00	82,426.09	-25,101.00	127,270.09	0.00	127,270.09
061	02	9300	999	TRANSFER OF APPROPRIATIONS	0.00	0.00	-400,000.00	-400,000.00	0.00	-400,000.00
061	02	9400	201	SOCIAL SECURITY COUNTY MATCH	32,000.00	0.00	9,000.00	41,000.00	38,298.81	2,701.19
061	02	9400	202	RETIREMENT, COUNTY MATCH	58,000.00	0.00	2,500.00	60,500.00	64,373.11	-3,873.11
061	02	9400	205	EMPLOYEE HEALTH INSURANCE	93,000.00	0.00	-30,000.00	63,000.00	60,144.73	2,855.27
061	02	9400	208	UNEMPLOYMENT	11,000.00	0.00	0.00	11,000.00	0.00	11,000.00
061	02	9400	209	WORKERS' COMPENSATION	62,000.00	0.00	0.00	62,000.00	0.00	62,000.00
061	02	9500	902	NAT. FOREST PAYMENT TO SCHOOL BOARD	55.00	0.00	0.00	55.00	0.00	55.00
061	03	5015	725	JAIL EQUIPMENT	0.00	0.00	2,500.00	2,500.00	2,199.98	300.02
061	03	5101	101	JAILERS SALARY	52,547.82	0.00	0.00	52,547.82	52,547.82	0.00
061	03	5101	103	JAIL PERSONNEL SALARIES	122,304.00	0.00	49,582.00	171,886.00	171,885.67	0.33
061	03	5101	212	JAILER TRAINING FRINGE BENEFIT	0.00	0.00	0.00	0.00	0.00	0.00
061	03	5101	314	CONTRACTS WITH OTHER COUNTIES	900,000.00	0.00	90,000.00	990,000.00	989,067.46	932.54
061	03	5101	334	BUILDING REPAIR	30,000.00	0.00	-17,000.00	13,000.00	10,442.01	2,557.99
061	03	5101	336	EQUIPMENT REPAIR	2,000.00	0.00	1,800.00	3,800.00	3,781.30	18.70
061	03	5101	346	PEST CONTROL	1,200.00	0.00	0.00	1,200.00	695.00	505.00
061	03	5101	366	GARBAGE SERVICE	1,700.00	0.00	0.00	1,700.00	1,620.00	80.00
061	03	5101	425	FOOD	18,000.00	0.00	10,000.00	28,000.00	25,174.86	2,825.14
061	03	5101	445	OFFICE SUPPLIES	2,500.00	0.00	1,260.00	3,760.00	3,755.14	4.86
061	03	5101	455	PETROLEUM PRODUCTS	16,000.00	0.00	2,840.00	18,840.00	18,831.42	8.58
061	03	5101	481	STAFF UNIFORMS	2,000.00	0.00	0.00	2,000.00	168.00	1,832.00
061	03	5101	499	JAIL OTHER SUPPLIES	0.00	0.00	3,500.00	3,500.00	3,338.09	161.91
061	03	5101	531	JAILER BONDS	0.00	0.00	101.50	101.50	101.50	0.00
061	03	5101	549	ROUTINE MEDICAL	100,000.00	0.00	20,000.00	120,000.00	89,123.36	30,876.64

# Disbursements File Text

## Knox County Fiscal Court

County Fund	Major	Minor	Suffix	Description	Orig. Budget	Amendments	Transfers	Tot. Avail.	Claims Paid	Free Bal.
061	03	5101	573	TELEPHONE	2,700.00	0.00	5,000.00	7,700.00	3,130.92	4,569.08
061	03	5101	578	UTILITIES	15,000.00	0.00	0.00	15,000.00	13,036.07	1,963.93
061	03	5101	592	MOTOR VEHICLE REPAIR	2,500.00	0.00	20.00	2,520.00	2,515.22	4.78
061	03	5102	314	CONTRACTS WITH OTHER CO - JUVENILES	60,000.00	0.00	0.00	60,000.00	53,325.00	6,675.00
061	03	7700	602	PAYMENT ON LEASE	21,682.17	0.00	10,527.00	32,209.17	21,938.70	10,270.47
061	03	7700	606	INTEREST ON LEASE	13,772.70	0.00	1,742.00	15,514.70	15,514.62	0.08
061	03	8001	305	NEW JAIL ARCHITECTURAL SERVICES	0.00	0.00	125,000.00	125,000.00	109,914.48	15,085.52
061	03	9100	332	LEGAL FEES	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00
061	03	9100	521	INSURANCE	50,000.00	0.00	-47,500.00	2,500.00	0.00	2,500.00
061	03	9100	551	MEMBERSHIP DUES	250.00	0.00	0.00	250.00	250.00	0.00
061	03	9100	569	STAFF TRAINING	500.00	0.00	0.00	500.00	0.00	500.00
061	03	9200	999	RESERVE FOR TRANSFERS	0.00	14,571.31	251,627.50	266,198.81	0.00	266,198.81
061	03	9300	999	Transfer of Appropriations	0.00	0.00	-430,000.00	-430,000.00	0.00	-430,000.00
061	03	9400	201	SOCIAL SECURITY, COUNTY SHARE	13,000.00	0.00	3,000.00	16,000.00	15,987.93	12.07
061	03	9400	202	RETIREMENT, COUNTY SHARE	24,000.00	0.00	0.00	24,000.00	25,689.87	-1,689.87
061	03	9400	205	EMPLOYEE INSURANCE-HEALTH	32,000.00	0.00	16,000.00	48,000.00	48,318.80	-318.80
061	03	9400	208	UNEMPLOYMENT INSURANCE	3,400.00	0.00	0.00	3,400.00	0.00	3,400.00
061	03	9400	209	WORKERS COMPENSATION	16,000.00	0.00	0.00	16,000.00	0.00	16,000.00
061	04	5212	398	CONTRACTED SERVICES - DUMP CLEANUP	0.00	0.00	17,900.00	17,900.00	17,900.00	0.00
061	04	5220	579	WATER PROJECTS	0.00	0.00	91,820.00	91,820.00	91,577.85	242.15
061	04	5220	743	008 LGEDF ROAD FORK WATER TANK PROJECT	270,000.00	0.00	-23,214.79	246,785.21	218,800.00	27,985.21
061	04	6105	447	ROAD MATERIALS	67,793.17	0.00	-67,793.17	0.00	0.00	0.00
061	04	6105	602	PRINCIPAL ON ROAD EQUIPMENT LEASES	202,664.95	0.00	0.00	202,664.95	150,784.94	51,880.01
061	04	6105	606	INTEREST ON ROAD EQUIPMENT LEASES	59,041.88	0.00	0.00	59,041.88	27,081.04	31,960.84
061	04	6105	699	DEBT SERVICE FEES	0.00	0.00	250.00	250.00	250.00	0.00
061	04	8001	742	WEST KNOX COURTHOUSE ANNEX HB380	0.00	0.00	0.00	750,000.00	0.00	750,000.00
061	04	8001	742	001 WELLNESS CENTER HB380	0.00	2,000,000.00	-250.00	1,999,750.00	0.00	1,999,750.00
061	04	8099	348	LGEDF GRANTS OTHER CAPITAL PROJECTS	350,000.00	0.00	0.00	350,000.00	140,000.00	210,000.00
061	04	9200	999	RESERVE FOR TRANSFERS	0.00	18,712.04	-18,712.04	0.00	0.00	0.00
061	04	9300	999	TRANSFER OF APPROPRIATIONS	0.00	0.00	-75,000.00	-75,000.00	0.00	-75,000.00
061	23	5047	445	OFFICE SUPPLIES	100.00	0.00	0.00	100.00	0.00	100.00
061	23	5047	503	BANK CHARGES	50.00	0.00	0.00	50.00	29.25	20.75

# Disbursements File Text

## Knox County Fiscal Court

County Fund	Major	Minor	Suffix	Description	Orig	Budget	Amendments	Transfers	Tot Avail	Claims Paid	Free Bal
061	23	5047	544	RETURN CHECK CHARGE		0.00	0.00	0.00	0.00	0.00	0.00
061	23	5047	567	REFUNDS		12,350.00	0.00	9,000.00	21,350.00	3,038.85	18,311.15
061	23	5047	902	PAYMENTS TO GOVERNMENT AGENCIES		744,000.00	0.00	18,100.00	762,100.00	762,022.66	77.34
061	23	9200	999	RESERVE FOR TRANSFERS		0.00	9,258.46	-27,100.00	-17,841.54	0.00	-17,841.54
061	75	5145	107	911 DIRECTOR		24,150.00	0.00	0.00	24,150.00	24,105.87	44.13
061	75	5145	131	911 DATABASE TECHNICIAN		24,024.00	0.00	0.00	24,024.00	23,980.00	44.00
061	75	5145	167	911 CLERICAL		28,392.00	0.00	-6,900.00	35,292.00	35,270.36	21.64
061	75	5145	340	911 VEHICLE MAINTENANCE		2,000.00	0.00	0.00	2,000.00	69.86	1,930.14
061	75	5145	398	911 CONTRACT SERVICES		10,000.00	0.00	0.00	10,000.00	2,045.00	7,955.00
061	75	5145	446	911 FUNCTION SPECIFIC EQUIPMENT		11,500.00	0.00	0.00	11,500.00	0.00	11,500.00
061	75	5145	455	911 PETROLEUM PRODUCTS		1,500.00	0.00	0.00	1,500.00	1,029.94	470.06
061	75	5145	499	911 OTHER SUPPLIES		0.00	0.00	7,500.00	7,500.00	7,123.18	376.82
061	75	5145	573	911 TELEPHONE / CELL PHONE		130,000.00	0.00	0.00	130,000.00	107,423.10	22,576.90
061	75	5145	578	911 UTILITIES		540.00	0.00	200.00	740.00	598.37	141.63
061	75	5145	588	911 EQUIPMENT MAINTENANCE		5,000.00	0.00	24,140.00	29,140.00	11,193.86	17,946.14
061	75	5145	725	911 EQUIPMENT		5,000.00	0.00	35,400.00	40,400.00	40,392.86	7.14
061	75	9100	521	INSURANCE		5,000.00	0.00	0.00	5,000.00	1,000.00	4,000.00
061	75	9100	569	911 CONFERENCE/REGISTRATIONS		1,000.00	0.00	0.00	1,000.00	0.00	1,000.00
061	75	9200	999	RESERVE FOR TRANSFERS		143,042.00	34,168.80	-75,640.00	101,570.80	0.00	101,570.80
061	75	9400	201	MATCHING SOCIAL SECURITY		5,700.00	0.00	500.00	6,200.00	6,084.07	115.93
061	75	9400	202	MATCHING RETIREMENT		8,552.00	0.00	1,000.00	9,552.00	10,046.84	-494.84
061	75	9400	205	EMPLOYEE HEALTH INSURANCE		15,300.00	0.00	0.00	15,300.00	4,841.44	10,458.56
061	75	9400	208	UNEMPLOYMENT INSURANCE		2,600.00	0.00	0.00	2,600.00	0.00	2,600.00
061	75	9400	209	911-WORKER COMPENSATION		3,500.00	0.00	0.00	3,500.00	0.00	3,500.00
061	75	5145	725	WIRELESS 911		37,300.00	-4,887.69	0.00	32,412.31	0.00	32,412.31
061	76	9200	999	RESERVE FOR TRANSFERS		0.00	0.00	0.00	0.00	0.00	0.00
061	77	5075	730	ROAD PROJECTS		0.00	0.00	0.00	0.00	0.00	0.00
061	77	5136	548	HOMELAND SECURITY - CCP PROGRAM		0.00	0.00	0.00	0.00	0.00	0.00
061	77	5136	566	HOMELAND SECURITY - REIMBURSEMENT		0.00	0.00	0.00	0.00	0.00	0.00
061	77	5136	703	HOMELAND SECURITY-COMMUNICATIONS EQ.		558,079.00	0.00	-19,500.00	538,579.00	0.00	538,579.00
061	77	5136	703	004 HOMELAND SECURITY - REPEATER SYSTEM		0.00	0.00	0.00	0.00	0.00	0.00
061	77	5212	398	CONTRACTED SERVICES/COMMUNITY CLEAN-UP		0.00	0.00	0.00	0.00	0.00	0.00



# Disbursements File Text

## Knox County Fiscal Court

County Fund	Major	Minor	Suffix	Description	Orig. Budget	Amendments	Transfers	Tot. Avail.	Claims Paid	Free Bal.
061	77	5212	398	001	CONTRACTED SERVICES/ROADSIDE CLEANUP	0.00	1,078.50	0.00	1,078.50	1,078.50
061	77	5212	398	002	CONTRACTED SERVICES/COMMUNITY CLEANUP	50,000.00	0.00	17,780.00	33,890.00	33,890.00
061	77	5212	398	005	CONTRACTED SERVICES/COMMUNITY CLEANUP	0.00	85,000.00	0.00	85,000.00	31,555.00
061	77	5212	398	006	CONTRACTED SERVICES/COMMUNITY CLEANUP	0.00	45,000.00	-17,780.00	27,220.00	18,950.00
061	77	5225	313		SANITARY SEWER-BIMBLE	0.00	13,000.00	11,100.00	13,000.00	11,100.00
061	77	5225	313	002	SANITARY SEWER EXTENSION - IND. PARK	134,089.04	0.00	0.00	134,089.04	134,089.04
061	77	5230	548		KNOX CO. HOSPITAL TRANSFER	130,000.00	0.00	0.00	130,000.00	130,000.00
061	77	8001	742		KNOX CO. SENIOR CITIZENS CTR. RENOVATION	500,000.00	0.00	19,229.00	509,229.00	10,000.00
061	77	9200	999		RESERVE FOR TRANSFERS	0.00	11,102.33	-10,829.00	273.33	273.33
061	78	5230	309		HOSPITAL CONSULTING SERVICES	12,500.00	0.00	0.00	12,500.00	11,500.00
061	78	5230	332		HOSPITAL LEGAL FEES	20,000.00	0.00	0.00	20,000.00	16,203.30
061	78	7100	601		PRINCIPAL ON BONDS	343,000.00	0.00	731,000.00	1,074,000.00	398.90
061	78	7100	605		INTEREST ON BONDS	744,246.41	0.00	20,752.50	764,998.91	380,224.24
061	78	9100	539		LEGAL NOTICES, RECORDING, & COURT COSTS	0.00	0.00	0.00	0.00	0.00
061	78	9200	999		HOSPITAL CONTINGENT APPROPRIATIONS	857,234.69	128,555.37	-751,752.50	234,037.56	234,037.56
061	79	5075	548		PAYMENTS TO GOVERNMENT AGENCIES	75,100.00	0.00	20,850.00	95,950.00	62.87
061	79	9200	999		RESERVE FOR TRANSFERS	75,400.00	2,909.35	-20,850.00	57,459.35	57,459.35
061	80	5340	107		PROJECT DIRECTOR SALARY	0.00	31,922.00	0.00	31,922.00	3,213.58
061	80	5340	210		EXPENSE ALLOWANCE FOR HEALTH INSURANCE	0.00	2,230.00	0.00	2,230.00	744.10
061	80	5340	315		DFC CONTRACTED HOUSING	0.00	14,780.00	0.00	14,780.00	3,560.00
061	80	5340	566		DFC REIMBURSEMENT	0.00	0.00	0.00	153.62	-153.62
061	80	5340	599		MISCELLANEOUS EXPENSES	0.00	0.00	0.00	2,932.45	-2,932.45
061	80	9100	589		REGISTRATION, CONFERENCES	0.00	0.00	0.00	2,067.72	-2,067.72
061	80	9200	999		RESERVE FOR TRANSFER	0.00	0.00	0.00	0.00	0.00
061	80	9400	201		SOCIAL SECURITY MATCH	0.00	3,316.00	0.00	3,316.00	1,229.63
061	80	9400	202		RETIREMENT MATCH	0.00	2,909.00	0.00	2,909.00	-1,427.04
061	80	9400	209		Workers Compensation	0.00	0.00	0.00	0.00	0.00
					12,125,788.14	3,951,378.86	0.00	16,077,168.10	10,256,551.93	5,820,616.17

**Long-Term Liabilities File Text**  
**Knox County Fiscal Court**

[illegible]

**KNOX COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**



**KNOX COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Fiscal Year Ended June 30, 2007**

Federal Grantor Program Title <u>Grant Name (CFDA #)</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal CFDA No.</u>	<u>Expenditures</u>	<u>TOTAL FOR CFDA #</u>
<u>U.S Department of Commerce</u>				
Congressionally Identified Awards and Projects				
Passed through NOAA				
Eastern KY PRIDE	CF05-04	11.469	\$ 67,780	
Eastern KY PRIDE	M-0569494	11.469	44,945	
Eastern KY PRIDE	WW03-05	11.469	13,000	
Eastern KY PRIDE	CF-0504	11.469	1,078	
KY PRIDE	N/A	11.469	8,500	
KY PRIDE	CF06-116	11.469	<u>18,950</u>	\$ 154,253
 <u>U.S Department of Housing and Urban Development</u>				
Passed Through Department for Local Government:				
Community Development Block Grants/State's Progr	CDBG 05-050	14.228		522,209 ***
 <u>U.S. Department of Homeland Security</u>				
Passed-Through State Department of Homeland Security				
Emergency Management Performance Grant Program	n/a	97.042		<u>16,410</u>
Total Cash Expenditures of Federal Awards			<u>\$ 692,872</u>	

*Tested as major program or cluster \*\*\**

**KNOX COUNTY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Year Ended June 30, 2007**

Note 1 -The accompanying schedule of expenditures of federal awards includes the federal activity of the Knox County Fiscal Court and is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**





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The Honorable J. M. Hall, Knox County Judge/Executive  
Honorable Raymond Smith, Former Knox County Judge/Executive  
Members of the Knox County Fiscal Court

Report On Internal Control Over Financial Reporting And  
On Compliance And Other Matters Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards

We were engaged to audit the financial activity of the Fourth Quarterly Report of Knox County, Kentucky, as of and for the year ended June 30, 2007, and have issued our report thereon dated May 26, 2008 wherein we expressed a disclaimer of opinion on the Fourth Quarterly Report because based on our assessment of fraud risk, we determined the risk for fraud to be too high and we were unable to apply other procedures to overcome this fraud risk. In addition, the Fiscal Court had weaknesses in the design and operation of its internal control procedures and accounting functions and management elected to override the internal control procedures that were in place. In addition, management did not provide us with a representation letter required by generally accepted auditing standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Knox County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Knox County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Knox County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the modified cash basis of accounting such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the following deficiencies described in the accompanying schedule of finding and questioned costs to be significant deficiencies in internal control over financial reporting: 2007-01, 2007-02, 2007-05, 2007-06, 2007-07, 2007-10, 2007-11, 2007-14, 2007-18, 2007-20, 2007-21, 2007-26 and 2007-27.

Report On Internal Control Over Financial Reporting And  
On Compliance And Other Matters Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

Internal Control Over Financial Reporting (Continued)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiencies described above to be material weaknesses as follows: 2007-01, 2007-06, 2007-07, 2007-20, 2007-21, and 2007-26.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Knox County's financial statements for the year ended June 30, 2007, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs are as follows: 2007-03, 2007-04, 2007-06, 2007-08, 2007-09, 2007-12, 2007-13, 2007-15, 2007-16, 2007-17, 2007-19, 2007-22, 2007-23, 2007-24, 2007-25, 2007-28 and 2007-29.

The Knox County Judge/Executive's responses to the findings identified in our audit are included in the accompanying schedule of findings and questioned costs. We did not audit the County Judge/Executive's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and the Department for Local Government and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Ross & Company, PLLC  
Certified Public Accounts

May 26, 2008

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**



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The Honorable J. M. Hall, Knox County Judge/Executive  
Honorable Raymond Smith, Former Knox County Judge/Executive  
Members of the Knox County Fiscal Court

Report On Compliance With Requirements  
Applicable To Each Major Program And On Internal Control  
Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Knox County, Kentucky with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. Knox County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Knox County's management. Our responsibility is to express an opinion on Knox County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Knox County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Knox County's compliance with those requirements.

In our opinion, Knox County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Knox County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Knox County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Knox County's internal control over compliance.

Report On Compliance With Requirements  
Applicable To Each Major Program And On Internal Control  
Over Compliance In Accordance With OMB Circular A-133  
(Continued)

Internal Control Over Compliance (Continued)

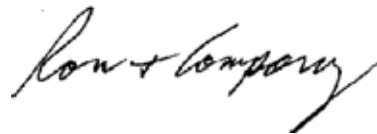
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program, will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of management, federal awarding agencies, and pass-through agencies and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ross & Company", written in a cursive style.

Ross & Company, PLLC  
Certified Public Accounts

May 26, 2008

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2007**





**KNOX COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Fiscal Year Ended June 30, 2007**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses no opinion on the financial activity of Knox County, Kentucky.
2. Thirteen (13) findings were significant deficiencies.
3. Six (6) findings were material weaknesses to the financial statements.
4. Seventeen (17) instances of noncompliance to laws, regulations, contracts, and grant agreements material to the financial statements of Knox County.
5. No reportable conditions relating to the audit of the major federal awards programs are reported in the Independent Auditor's Report.
6. The auditor's report on compliance for the audit of the major federal awards programs for Knox County expresses an unqualified opinion.
7. There are no audit findings relative to the major federal awards programs for Knox County reported in Part C of this schedule.
8. The program tested as a major program was: Community Development Block Grant (#14.228)
9. The threshold for distinguishing Type A and B programs was \$300,000.
10. Knox County was not determined to be a low-risk auditee.

**B. FINANCIAL STATEMENT FINDINGS**

**2007-01 The County Should Improve Their Internal Control Procedures**

The County has a lack of segregation of duties. Due to the entity's diversity of official operations, small size, and budget restrictions the County has limited options for establishing an adequate segregation of duties. We recommend the following procedures be implemented to strengthen the internal control weaknesses:

- An independent person should list all receipts and agree them back to the treasurer's receipts ledger. Also, the employee opening the mail should keep a listing of all checks received for that day, detailing the date received, the check amount, whom it is from, and what the check is for.
- An independent person should open bank statements and review them for unusual items, such as debit memos, and overdraft charges. The person by initialing the bank statement can document this.
- An independent person should review the treasurer's bank reconciliations for accuracy. The person completing this review should initial the bank reconciliation to document that a review was performed.
- An employee independent of check writing and posting duties should match purchase orders to checks and invoices. The employee who signs the checks should also cancel the purchase orders and invoices to ensure invoices are not paid twice.
- To have better internal controls, it is considered a best practice to keep the receipt of cash, the disbursement of cash, and the posting of cash to the ledgers delegated to separate individuals.
- Also, the County should implement stronger internal controls over the computer system. All transactions should be backed up daily on a disk and should be secured off-site.

We recommend the County implement these procedures. This will help segregate the duties of the County Treasurer as well as other employees.

*County Judge/Executive J.M. Hall's Response: None*

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

**2007-02 The County Should Maintain Proper Records For The Public Properties Corporation Fund**

The County should maintain proper records for the Public Properties Corporation – Debt Service Fund (PPC). Since the Fiscal Court is financially accountable and legally obligated for the debt of the PPC, it is reported as a blended component unit of the Fiscal Court. The County should receive the bank statements for the PPC, maintain a receipts and disbursements ledger, and prepare a financial statement. We recommend the County maintain proper records for the PPC in the future.

*County Judge/Executive J.M. Hall's Response: We agree that proper records for the PPC should be implemented.*

**2007-03 The County Should Require The Depository Institution To Pledge Or Provide Sufficient Collateral**

On August 31, 2006 \$1,183,311 of the County's deposits of public funds were uninsured and unsecured. According to KRS 66.480(1)(d) and KRS 41.240(4), financial institutions maintaining deposits of public funds are required to pledge securities or provide surety bonds as collateral to secure these deposits if the amounts on deposit exceed the \$100,000 amount of insurance coverage provided by the Federal Deposit Insurance Corporation (FDIC). The Fiscal Court should require the depository institution to pledge or provide collateral in an amount sufficient to secure deposits of public funds at all times.

*County Judge/Executive J.M. Hall's Response: All depository institutions should pledge collateral in that amount sufficient to secure deposits.*

**2007-04 The Former County Judge/Executive Owes The County \$6,118 Due To Overpayment Of Vacation Time Not Permitted By Statute**

KRS 67.705 states that the County Judge/Executive shall receive an annual salary pursuant to the salary schedule and be paid training incentives as set by the Governor's Office of Local Development (GOLD).

The maximum salary for the Judge/Executive in calendar year 2006 was \$79,247 and a training incentive for 2006 of \$3,302 totaling \$82,667; however, payroll records and reports filed indicate that the Judge/Executive received \$88,667, which is \$6,118 in excess of the amount that should have been paid by statute.

Prior to leaving office, the former administration prepared the last payroll under their administration, included in this was a check to the former Judge/Executive. The notation on the check was for vacation time. This check should not have been paid to the Judge. Elected officials are not entitled to vacation and sick leave time. Their positions are elected and therefore do not have attendance requirements. The salaries to be paid to Judge/Executives as set by Governor's Office of Local Development (GOLD) are all-inclusive and do not allow for additional monies for vacations or sick leave.

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

2007-04 The Former County Judge/Executive Owes The County \$6,118 Due To Overpayment Of Vacation Time Not Permitted By Statute (Continued)

We recommend that the county collect the amount owed to the county from former Judge/Executive.

*County Judge/Executive J.M. Hall's Response: None.*

2007-05 The Former Administration Transferred \$467,779 Of Funds Prior To Fiscal Court Approval

The former administration made multiple transfers prior to fiscal court approval. A total of \$467,779 of transfers were either transferred prior to fiscal court approval or auditor was unable to verify that approval was given, \$339,455 and \$128,324 respectively.

*County Judge/Executive J.M. Hall's Response: We agree that all transfers between funds should have prior Fiscal Court approval.*

2007-06 The County Did Not Follow Proper Purchase And Procurement Procedures That Resulted In Over \$962,000 Of Expenditures That Failed Testing Procedures

During our testing of expenditures, we found that some invoices were absent or did not provide adequate documentation to support the expenditure. There were other instances where invoices were not paid timely. Auditors selected 163 invoices for testing totaling \$1,836,429. Our testing resulted in 139 deviations of the attributes tested. A summary of our findings follows:

- Inadequate or missing supporting documentation
  - Auditors noted nineteen (19) expenditures out of 163 tested that did not have adequate supporting documentation that totaled \$110,022. Since we did not have original or adequate documentation we could not attest to the legitimacy of all items tested.
  - In addition, fifty (50) Road Fund invoices that were selected for testing totaling \$558,041, only \$10,400 were properly itemized. Of these invoices, \$195,619 did not include the description of work performed, location, and/or the amount of hours and rate per hour.
- Late payment of expenditures
  - Of the 163 invoices selected for testing, seven (7) invoices totaling \$35,975 were not paid within thirty (30) days.
- Lack of proper accounting practices
  - With the exception of the Road Fund, imaged copies of the backs of checks were not maintained with bank statements including those statements for accounts containing federal funds.
  - The claims list was not included with the official Fiscal Court minutes. Therefore, auditors could not independently verify whether expenditures selected for testing were approved by the Fiscal Court.

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

**2007-06    The County Did Not Follow Proper Purchase And Procurement Procedures That Resulted In Over \$962,000 Of Expenditures That Failed Testing Procedures (Continued)**

- Purchase orders were not issued in accordance with established guidelines. Invoices totaling \$886,929 did not have a purchase order attached to the invoice or did not have authorized signatures upon the purchase order. Due to the condition of the records and the Fiscal Court minutes, missing invoices, or lack of detail on invoices, auditors could not appropriately verify bidding requirements for \$125,240 of the expenditures tested.

Good internal controls dictate that adequate supporting documentation be maintained for all receipts and disbursements. The “Uniform System of Accounts” as stipulated by the Department for Local Government (DLG) requires counties to maintain adequate supporting documentation for all county expenditures. Copies of invoices and faxed invoices are unacceptable. All original invoices should agree to corresponding purchase orders. Expenditures for asphalt should be supported by weight tickets since they document that the product was received for county operations and itemizes the day, location, the receiver, and quantity of asphalt received. In an effort to strengthen internal controls over disbursements, we recommend that the County maintain weight tickets for all asphalt expenditures. Furthermore, the County employees should sign weight tickets as evidence that the product was actually received and used for county operations.

KRS 65.140 requires any purchaser that receives goods or services to pay for those goods and services within thirty (30) working days of receipt of a vendor’s invoice. The County’s “Administrative Code” requires the Fiscal Court to select the lowest or best bidder after advertised for bid in accordance with KRS 424.260. We recommend that the County comply with these requirements by maintaining supporting documentation for all expenditures, paying invoices timely, and bidding for expenditures in excess of \$20,000, in the future.

Proper accounting procedures and internal control policies should be in place. Bank statements with imaged copies of both front and backsides of checks should be maintained. All expenditures should be reviewed and approved by the Fiscal Court prior to payment. Also, disbursements should be made as soon as practical after the Fiscal Court approves the expenditures. All invoices should be cancelled upon payment. Purchasing procedures should be in accordance with DLG requirements, specifically, purchase orders must include the appropriation account number to which the claim will be posted and proper approval by management or the department head. Vendor names, departments, product descriptions, quantities, and prices should be on each purchase order issued in order for the purchasing procedures to be effective. Sound management and a good internal control structure are essential for the achievement of full oversight and accountability.

Lack of proper accounting practices and internal controls increases the risk that misstatements of financial activity and/or fraud will occur and go undetected by the County. Without proper procedures in place to mitigate the risk, the County is exposing public resources to potential misstatements and/or fraud.

*County Judge/Executive J.M. Hall’s Response: Sound management and good internal control structure are essential for the achievement of full oversight and accountability, and should be implemented.*

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

**2007-07    The Former Judge Executive Purchased \$4,144 In New Furniture That Is Not In Possession Of The County**

During testing of expenditures, it was discovered that the Former Judge/Executive ordered office furniture in July 2005 that included a desk and hutch in the total amount of \$4,144. Upon further investigation, it was determined that the expenditure did not have supporting documentation such as a receipt, purchase order, etc. After additional inquiry, a copy of the invoice was obtained for verification purposes. It was later determined that the furniture was picked up in February 2007. The furniture was not delivered to the County, and auditors could not determine where the furniture is currently located.

We recommend that the County take possession of assets within a reasonable period of time upon procurement. We further recommend that the current administration report this to the proper authorities.

*County Judge/Executive J.M. Hall's Response: Proper authorities are aware of this transaction.*

**2007-08    The County Owes Approximately \$31,828 In Past Due Inmate Medical Bills**

The County owes approximately \$31,828 in past due medical bills. The medical bills are from multiple service providers for the healthcare services for Knox County inmates. Further examination has determined that some of the medical bills are at least three years past due. KRS 65.140 requires that any goods or services received be paid for within thirty (30) working days of receipt of the vendor or service provider's invoice. Furthermore, the statute states that any unpaid invoices that exceed 30 days should have 1% added to the approved price to be submitted to the vendor or service provider.

We recommend that the County pay bills timely in accordance with KRS 65.140 in order to prevent penalties that are in excess of the purchase contract.

*County Judge/Executive J.M. Hall's Response: We agree that payment of bills in a timely fashion per KRS 65.140 should be followed.*

**2007-09    An Employee Of The Sheriff's Office Was Paid \$30,500 For Communications Equipment Without Fiscal Court Approval And Procurement Procedures Were Not Followed Nor Were Bid Laws**

The County failed to bid and the Fiscal Court did not approve some of the transactions in regards to the purchase of ten (10) Dodge Chargers for the Sheriff's Department.

During investigation of this transaction, it was determined that the County purchased ten (10) Dodge Chargers at the state bid price. However, the work performed by Innovative Communications (owned by the Chief Deputy Sheriff), was not properly bid or approved by the Fiscal Court. The cost associated with the expense was \$30,500.

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

2007-09 An Employee Of The Sheriff's Office Was Paid \$30,500 For Communications Equipment Without Fiscal Court Approval And Procurement Procedures Were Not Followed Nor Were Bid Laws (Continued)

Knox County failed to comply with state and local bid laws relating to the procurement of assets. KRS 424.260 and the County's Administrative Code states that bids for materials, supplies, equipment, or services must be obtained for expenditures that exceed \$20,000. Furthermore, the County's Administrative Code sets out the procedures for selection of vendors, contract selection process, and the prerequisites for the negotiated process. According to the County's Administrative Code, the negotiated process may be used instead of advertisement for bids if the amount exceeds \$20,000 in the following circumstances: (1) an emergency exists and (2) all bids received exceed the amount budgeted. Thus, we found that the prerequisite to use the negotiated process for contract equipment was not met. The competitive bid process ensures that the County procures goods and services at the best overall value and ensures that bidders receive a fair and equal opportunity to conduct business with the County. Therefore, we recommend that the County adhere to all applicable laws and regulations regarding competitive bid requirements.

*County Judge/Executive J.M. Hall's Response: We agree that the County adhere to all applicable laws and regulations regarding bid requirements per KRS.*

2007-10 \$2,546 Of Credit Card Expenditures Could Not Be Appropriately Validated And Were Not Properly Documented

Auditors chose five (5) credit card statements to test for a total of \$13,468 charges. Of the \$13,468 of credit card expenditures tested, only \$10,922 had proper documentation to support the expenditure (leaving \$2,546 without adequate documentation). Several expenditures were for travel, meals, or miscellaneous supplies. Auditor inquired of Finance Officer to see if travel vouchers existed to support expenditures related to meals and travel; we were told there are no such files. Three credit card statements had finance charges. In addition, multiple expenditures showed that the county paid sales taxes.

The payment of finance charges is not a proper expenditure of public funds. We recommend that the Fiscal Court apply best practices when exercising its fiduciary responsibility to act as agents of the public trust. We also recommend that the Fiscal Court have more control of credit card usage and require documentation of who used the card and for what reason. Strong internal controls dictate that there be procedures in place that reconcile monthly credit card receipts submitted by employees to the credit card statements. The payment of sales tax by a governmental entity should be restricted and is not considered good use of public funds. The following procedures should be implemented immediately to strengthen internal controls over credit card use:

- The County should not pay sales tax.
- All receipts for credit card transactions should be attached to the statement and filed for preparation of the claims list.
- Once the statement is received and all receipts related to that statement are attached to the credit card statement, a detailed list of transactions should be included on the claims list presented to the Fiscal Court for approval.
- Travel vouchers should be maintained to support meal, hotel, and other travel-related expenditures. All receipts for such expenses should be attached to the vouchers with the signature of the employee to substantiate and provide adequate documentation.

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

2007-10 \$2,546 Of Credit Card Expenditures Could Not Be Appropriately Validated And Were Not Properly Documented (Continued)

*County Judge/Executive J.M. Hall's Response: We agree that the above recommendations should be implemented.*

2007-11 The Purpose And Location Of Work Performed Using Rental Equipment Should Be Logged Daily And Signed By The Operator

During testing, there were numerous instances of equipment being rented; however, there was a lack of detail and documentation as to the purpose and location the equipment was being used. We recommend that the Fiscal Court review the County's policies regarding this and work to develop control procedures to provide detail that will document the work being performed and location of such work being completed. Also, a person such as the operator should log the beginning and ending hours on the machine each day, the worksite in which the equipment is used, and then the operator should sign the log sheet.

*County Judge/Executive J.M. Hall's Response: We agree.*

2007-12 The County Should Follow The Approved Salary Schedule

The County is not adhering to the salary schedule set by the fiscal court. Payroll testing noted that five (5) employees are being compensated in excess of the range approved by the Fiscal Court in the County's Administrative Code. We recommend the Fiscal Court follow the provisions of KRS 64.530 and the Administrative Code. We further recommend the Fiscal Court approve a salary schedule annually along with the Administrative Code that will be the guideline for all pay rates in the county.

*County Judge/Executive J.M. Hall's Response: None.*

2007-13 The County Should Require All Employees To Maintain Timesheets, Keep Attendance Records, And Ensure Proper Calculation Of Hours On Timesheets

During our testing of payroll, we noted the following weaknesses:

- Timesheets were not prepared by all employees including the Former Deputy Judge
- Vacation and sick leave balances were not maintained for all employees
- Timesheets did not match amounts paid according to check stubs

According to KRS 337.320, "every employer shall keep a record of the hours worked each day and each week by each employee." Good internal controls dictate all timesheets have supervisory approval, and proper and accurate records of vacation and sick time should be maintained.

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

2007-13 The County Should Require All Employees To Maintain Timesheets, Keep Attendance Records, And Ensure Proper Calculation Of Hours On Timesheets (Continued)

We recommend that the Fiscal Court ensure employees maintain timesheets and are properly approved by supervisors. Timesheets should include any approved time off including vacation and sick time. Central oversight should be maintained for all payroll records. In addition, reconciliations should be completed each pay period in order to perform reconciliations of the earnings records and leave time to the timesheets.

*County Judge/Executive J.M. Hall's Response: We agree.*

2007-14 The County Has Inaccurate And Incomplete Vacation And Sick Leave Records For Employees

During the test of employee vacation and sick leave time, major discrepancies were found. We tested the vacation time of 11 employees, three of which took excess vacation totaling 183 hours, with remaining balances according to the payroll software of 210 hours. If all available vacation were taken, the employees would have taken an excess of 393 hours. In addition, we tested the sick leave of one employee; we were unable to determine if sick leave was taken in excess due to missing records. Over a three-year period, this particular employee used 444 hours of sick leave in which approximately only 454 hours would have been available for the entire employment history of the employee, which was for a period of over 11 years. Also, there was no record of the vacation records for four of the employees that were tested.

We recommend that the Fiscal Court implement policies to track vacation and sick leave time that employees accrue. We further recommend that safeguards be put into place to create checks and balances to track benefits, such as a person independent of the payroll process keeping separate records.

*County Judge/Executive J.M. Hall's Response: We agree.*

2007-15 The County Should Ensure That Equal Treatment In Regards To Holiday Benefits Are Provided To All County Employees

During the testing of payroll, auditors noted that county employees are not receiving equal and fair treatment in regards to holiday time. A select few of the employees were receiving multiple days off, charging the time as holiday time, and being compensated for it. After the approval of the new Administrative Code in September 2006, it allowed the Judge/Executive to declare any day at his discretion as a holiday. Days off, however, should be granted uniformly to all County employees. We recommend that the County provide equal benefits to all county employees. We further recommend that the Fiscal Court seek legal advice from the County Attorney on this matter.

*County Judge/Executive J.M. Hall's Response: We agree.*



**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

2007-16 The Former Judge/Executive May Have Exceeded His Powers In Regards To Vacation

Payroll testing disclosed that the Former Judge/Executive ordered the entire Road Department to take vacation (whether the employees had accrued vacation available or not) during the week beginning July 3, 2006. The Administrative Code does not permit the Judge the authority to force vacations. This action resulted in several outcomes, as follows:

- Part-time employees received vacation pay, which is not permitted by the Administrative Code.
- Employees exceeded their accrued amounts of vacation that was available.
- Employees were not compensated for the July 4<sup>th</sup> holiday, which according to the Administrative Code is a paid holiday.

All of the above outcomes may be violations of the Administrative Code. We recommend that in the future the County comply with the policies and procedures of the Administrative Code. In addition, we further recommend that the employees either be compensated for the July 4<sup>th</sup> holiday, or have eight hours of vacation time added back into their balance to be used.

*County Judge/Executive J.M. Hall's Response: The Administrative Code should be adhered to in its entirety.*

2007-17 The County Should Ensure That The Same Level Of Health Insurance Benefits Are Provided To All County Employees As Stated In Kentucky Attorney General Opinion (OAG) 94-15

During the testing of payroll, auditors noted that county employees are not receiving the same level of health insurance benefits. Elected officials are receiving county-paid family coverage while others are paying for the extra cost for family coverage. During fiscal year ended June 30, 2007, the County paid as much as \$655 per month per employee for the additional costs of the family plan over the single plan. The County's Administrative Code states that the County promotes equal opportunity in matters of compensation and benefits. It further states that the County pays for an individual's health insurance policy but does not add that certain individuals will receive the family benefit as well. In September 2006, the County amended and approved an Administrative Code in which a provision was added that states:

“The County pays the premium for all individual health insurance policies offered by the county; except, however, the county will pay the premium for family health insurance plans for all elected county officials, senior executives and department heads as may be negotiated in their compensation package.”

OAG 94-15 states, “the basic statute providing for governmentally funded health coverage (KRS 79.080) for public employees does not provide for one level of coverage for officers, and another level for employees. Accordingly, we believe such differing coverage would not be lawful as not authorized by statute.” We recommend that the County comply with the Administrative Code and provide the same level of benefits to all county employees. We further recommend that the Fiscal Court seek legal advice from the County Attorney as to the legality of not providing the same level of health insurance coverage for all employees as stated in OAG 94-15. We would also like to inform the county that though a procedure or policy be established in the County's Administrative Code, that the Administrative Code does not trump established laws, statutes, and regulations in order to make broader policies and that a narrower interpretation of policies or procedures may be permitted.

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

2007-17 The County Should Ensure That The Same Level Of Health Insurance Benefits Are Provided To All County Employees As Stated In Kentucky Attorney General Opinion (OAG) 94-15  
 (Continued)

*County Judge/Executive J.M. Hall's Response: This was the previous administration's policy, therefore we have no comment.*

2007-18 The County Judge/Executive Or A Designated Person Should Keep And Maintain Required Records

The Judge/Executive does not maintain an appropriation ledger that is separate from the treasurer, and does not reconcile it monthly as required by Kentucky Revised Statutes and The Department for Local Government Policy Manual. Also, purchase orders are not issued for every expenditure, nor is a purchase order listing maintained. In addition, the Judge/Executive does not maintain accurate time records (sick/vacation) records for employees.

We recommend the following procedures and recommendations be followed by the Judge/Executive:

- Maintain an appropriation ledger
- Reconcile the appropriation ledger with the treasurer's appropriation ledger at least once a month
- Issue purchase orders and maintain a purchase order log (purchase orders should be properly authorized)
- Maintain accurate time records

*County Judge/Executive J.M. Hall's Response: None.*

2007-19 The Fiscal Court Minutes Should Be Complete, Adequately Maintained, And Filed In The Proper Location.

During our review of the fiscal court minutes, we found that an employee that works in the county judge/executive's office had been appointed to be the fiscal court clerk. In addition, the minute books were being filed in the county judge/executive's office. KRS 67.120(1) states that a fiscal court clerk may be appointed by the fiscal court if the county clerk declines to serve as the fiscal court clerk. KRS 67.100(5), however, states that the minute books shall be kept in the office of the county clerk. We recommend the county comply with KRS 67.100(5) and file the fiscal court minutes in the office of the county clerk.

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

2007-19 The Fiscal Court Minutes Should Be Complete, Adequately Maintained, And Filed In The Proper Location (Continued)

Further review of the minutes revealed that the claims lists approved by the fiscal court were not attached to the fiscal court minutes. The claims lists were filed separately from the minutes and were not signed by members of the fiscal court. Therefore, we could not verify that the members certified that claims were approved for payment. Also, we observed that the fiscal court clerk had not signed the minutes in July 2006. In one instance we found that the acting chairman did not sign the minutes. In addition, there were documents and contracts of the county that were signed by a former employee of the county.

In general, the official fiscal court minutes were in a complete state of disarray with post-it-notes, scribbling, unbound pages, folded papers, and items that had nothing to do with what should have been in the fiscal court minute books. The minutes were not detailed enough to provide adequate information to the public or to the auditors. The fiscal court minutes need to accurately reflect what occurs during fiscal court meetings. The minutes need to include all bids submitted to fiscal court, a listing of all claims approved and paid, road work logs and plans, copies of all budgets and financial statements, and other items presented (includes contracts, estimates, bids, etc.) that supports the actions taken by the fiscal court.

Anyone that is interested in reviewing the recordings for information in regards to the fiscal court meetings should be able to find it in the minutes. The absence of this supporting documentation prevents the public from reviewing what actually occurred at the fiscal court meetings. We were often unable to verify information in the minutes because of lack of detail and supporting documentation.

In an effort to increase controls over the fiscal court minutes, we recommend the claims list be indexed and attached to the minutes. We further recommend that the minutes of the court be stored in the County Clerk's office because in our opinion, the fiscal court clerk does not have sufficient space in which to store the minutes for public viewing and therefore should be maintain in the County Clerk's office. The pages of the minutes and the claims list should be sequentially numbered and signed by all members of the fiscal court certifying that they are correct and complete. All supporting documentation should be located in the minutes as well in order to support any decision made by the court. Also, we recommend that contracts, legal documents, and other documents that may bind the County should not be signed by anyone other than the proper County employees or officials. However, it should be noted that the fiscal court minutes have significantly improved since the current administration took office.

*County Judge/Executive J.M. Hall's Response: We agree.*

2007-20 The Treasurer Should Prepare Accurate And Complete Bank Reconciliations And 4<sup>th</sup> Quarter Report

Testing of the bank reconciliation noted checks that were marked as outstanding on the reconciliation but were not, and checks that should have been marked as outstanding but were not. A total of \$19,059 in adjustments was made to the bank reconciliations, which resulted in misstatements to the 4<sup>th</sup> quarter report. It was also noted that there were voided checks that were more than six months old. In addition, not all debt that the county is responsible for is on the 4<sup>th</sup> quarter report.

We recommend that the Treasurer ensure bank reconciliations are correct. That checks that are more than six months old be voided and reissued if necessary, and that all debt that the county is responsible for be included in the 4<sup>th</sup> quarter report.

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

**2007-20 The Treasurer Should Prepare Accurate And Complete Bank Reconciliations And 4<sup>th</sup> Quarter Report (Continued)**

*County Judge/Executive J.M. Hall's Response: No response.*

**2007-21 The County Should Maintain Complete And Accurate Capital Asset Schedules To Comply With GASB 34 Requirements**

The County did not have a completed capital asset schedule for fiscal year ending June 30, 2007. A list of capital asset additions and disposals were not properly maintained. A schedule of additions should be maintained as assets are purchased to simplify the process of updating the capital asset schedule. The schedule should include the date the asset is acquired, a description of the asset, the vendor name, and the amount. Invoices for asset acquisition and invoices for all other disbursements should be kept on file in a manner that allows retrieval of the original invoice for review and verification as needed by management and auditors. Further, we believe that the capital asset listing should be monitored and maintained on a regular basis. As new assets are acquired they should be added to the listing. As equipment is disposed of it should be removed from the listing. We recommend that the County maintain complete and accurate capital assets schedules to comply with GASB 34 requirements.

We further recommend that the fiscal court should take a physical inventory of its capital assets on a regular basis (such as every two to three years) or at the beginning of a new administration to ensure that only active, in-service machinery and equipment is included on the County's financial statements. This will ensure that fixed assets are properly stated and that depreciation is being calculated from a reliable listing.

*County Judge/Executive J.M. Hall's Response: We agree.*

**2007-22 Advisory Opinions Should Be Obtained From The Ethics Commission For Related Party Transactions Involving The Chief Deputy Sheriff**

Innovative Communications was paid to install radios and other equipment into the Dodge Chargers that were purchased on-behalf of the Sheriff's Department by the Fiscal Court. Innovative Communications, according to the Kentucky Department of Revenue and Secretary of State, is owned and operated by the Chief Deputy Sheriff. It also appears that the Chief Deputy Sheriff was the contact and the person that was involved with the transaction in its entirety. According to the Knox County Code of Ethics, no county officer, or employee, or member of his immediate family, shall have an interest in a business organization or engage in any business, transactions, or professional activity, which is in substantial conflict with the proper discharge of his duties in the public interest. Additionally, the ethics code states that the ethics commission shall have the power to render advisory opinions to the County, County agency, public officers, and employees regarding whether a given set of facts and circumstances would constitute a violation of any provision of this ordinance. The Ethics Code also requires that Chief Deputies submit a financial disclosure by March 1 of each year, and the Chief Deputy Sheriff failed to comply. We recommend the County follow its Ethics Code. Any violations should be reported to the Cumberland Valley Regional Board of Ethics. The County Attorney should follow-up on any findings by the Ethics Commission and implement recommendations made.

*County Judge/Executive J.M. Hall's Response: We agree.*

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

2007-23 Advisory Opinions Should Be Obtained From The Ethics Commission For Related Party Transactions Involving The Former County Treasurer

During fiscal year ending June 30, 2007, the former County Treasurer was involved in related party transactions with the Knox County Fiscal Court totaling \$2,745. These related party transactions involved web design and various computer repair work that was performed by the former County Treasurer's husband. According to the Knox County Code of Ethics, no county officer, or employee, or member of his immediate family, shall have an interest in a business organization or engage in any business, transactions, or professional activity, which is in substantial conflict with the proper discharge of his duties in the public interest. Additionally, the ethics code states that the ethics commission shall have the power to render advisory opinions to the County, County agency, public officers and employees regarding whether a given set of facts and circumstances would constitute a violation of any provision of this ordinance. We recommend the county follow its Ethics Code. Any violations should be reported to the Cumberland Valley Regional Board of Ethics. The County Attorney should follow-up on any findings by the Ethics Commission and implement recommendations made.

*County Judge/Executive J.M. Hall's Response: We agree.*

2007-24 The County Should Ensure That All Required Individuals File A Financial Disclosure Statement

During our review of financial disclosure statements, we discovered that several required elected officials, appointed officers and employees did not file a financial disclosure with the Cumberland Valley Regional Board of Ethics. This includes the following individuals:

- County Jailer
- County Coroner
- Constables
- Chief Deputies
- Department Heads

Under the authority of KRS Chapter 65, Knox County Fiscal Court enacted an ordinance establishing a code of ethics to guide the conduct of elected and appointed officers and employees of the county. According to the ethics code adopted by the county, the following individuals shall be required to file a financial disclosure statement:

1. Elected officers;
2. Candidates for elected office;
3. Commission or Board appointees, appointed and/or approved by the Knox Fiscal Court that receive any compensation for such appointment; and
4. Chief deputies, and department heads (e.g. Chief Deputy Sheriff, Ambulance Director, Road Supervisor, Assistant and Deputy Judge/Executive)

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

**2007-24    The County Should Ensure That All Required Individuals File A Financial Disclosure Statement (Continued)**

The financial disclosure statements required by the county's ethics code shall be filed with Cumberland Valley Regional Board of Ethics no later than March 1, at 3:00 p.m. each year for compensated board appointees and all elected county officials and within 21 days after the filing date for candidates for county offices or their date of nomination which ever shall first occur. Any financial disclosure statement filed after this date is delinquent and fines may be assessed. We recommend the county follow its Ethics Code and that the fiscal court should inquire to ensure that all persons required to submit a financial disclosure have done so. Any violations should be reported to the Cumberland Valley Regional Board of Ethics. The County Attorney should follow-up or assist the county to comply with the Ethics Commission.

*County Judge/Executive J.M. Hall's Response: We agree.*

**2007-25    The County Entered Into An Agreement To Lease/Sell The Knox County Hospital Without Fiscal Court Approval And Without Complying With State Disposal Laws**

On February 1, 2006, the former Knox County Judge/Executive entered into an agreement with a private corporation (Pacer Health Corporation) to lease the Knox County Hospital with an option for the Corporation to buy the Hospital. This agreement states that Pacer shall lease all of the assets for a fee of \$2,000,000, to be paid at closing. The agreement grants a purchase option, which is the current amount of bond debt reduced by closing fees and lease payments at the time the purchase option is executed. Review of county records reveal that the county didn't have ownership of the hospital at the time the agreement was entered into by the Former Judge/Executive. Ordinance Number 20060222-1 authorizing the county to assume full responsibility for the hospital operations was not effective until February 20, 2006, which is nineteen (19) days after the agreement was executed. This ordinance was not presented to the fiscal court until February 22, 2006, which is twenty-five (25) days after the agreement was executed and two (2) days after the effective date of the ordinance. Therefore, the former Judge/Executive did not have the authority to enter into this agreement to lease/sell the hospital. In addition, the agreement also held the County financially liable for a penalty of \$750,000 if the County did not follow through with the agreement. KRS 67.0802 lists the methods by which counties may surplus property (real and personal). These methods include, and are limited to: auction, electronic auction, sealed bid, and transfer to another governmental entity. On July 11, 2006, an Interim Management Agreement and Lease and Operating Agreement was amended to extend the final agreement deadline. The agreement was finalized in December 2006. A summary of the lease terms is as follows:

1. Pacer will have control of the Hospital Facility.
2. Pacer will collect all revenues and pay all expenses in the operation of the Hospital
3. Pacer will make monthly lease payments to the Trustee of the 2006 Bonds in an amount equal to the debt service on the 2006 Bonds.
4. Pacer will pay all expenses associated with maintaining and insuring the Hospital.
5. Pacer will pay any leasehold tax payments due under Kentucky Law and will pay in lieu of tax payments on December 1 of each year to the County.
6. Once the new Series 2006 Bonds are paid, Pacer has the option to take title to the Hospital as owner.
7. Pacer will provide the County with financial reports but it will be solely responsible for the operation of the Hospital and will not have to seek approval from the County for its management functions.

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

2007-25 The County Entered Into An Agreement To Lease/Sell The Knox County Hospital Without Fiscal Court Approval And Without Complying With State Disposal Laws (Continued)

We recommend the County take actions to ensure proper approval of transactions by Fiscal Court and that proper disposal of assets laws are followed. We also recommend the County take possession of financial reports when possible and obtain debt confirmations periodically to ensure that the debt payments are being made in regards to the 2006 Hospital Bonds. In addition, a current audit of the Knox County Hospital has not been performed; therefore we recommend that the County request such documents when they become available. We further recommend that the County Attorney review the legal status in regards to contractual obligations being fulfilled. This information will be forwarded to the appropriate authorities.

*County Judge/Executive J.M. Hall's Response: We agree.*

2007-26 Checks Should Be Written In Numerical Order By Check Date

Testing of the bank reconciliation noted checks that were not being written in numerical order by date. Auditor found that several checks that were dated in June 2007 that were written with check numbers that occurred after several checks that were dated in the month of July. We recommend that all checks be written in numerical order by date of occurrence.

*County Judge/Executive J.M. Hall's Response: We agree.*

2007-27 The County Should Continuously Scrutinize Invoices In Order To Prevent Unallowable or Unnecessary Expenditures

During the audit of the fiscal year ending June 30, 2007, auditors became aware of unallowable and unnecessary expenditures. Kentucky statutes do not permit the payment of goods or services that are personal in nature with public funds. The former Judge Executive purchased sympathy booklets with county funds. The payments for these booklets were approximately \$171 quarterly. The booklets were given out in the given name of the former Judge/Executive without any official capacity being printed and also without any notation of being from the County. This expenditure as described above is personal in nature.

In addition, the current administration found numerous pagers that were stored in a filing cabinet. Further investigation by the administration found that the County was still paying service fees for the pagers that have not been used by employees of the County for months.

We recommend that the County validate every invoice and claim in order to prevent misuse and unnecessary spending of public funds.

*County Judge/Executive J.M. Hall's Response: We agree.*

**KNOX COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2007**  
**(Continued)**

**2007-28    The County Should Not Permit Compensatory Time Without Proper Documentation And Should Adhere To KRS 337.285**

In November and December 2006, the former animal control officer claimed and received payment of 160 and 320 hours, respectively, totaling 480 hours of compensatory time. The maximum permitted for an employee in the emergency services or public safety area is 480 hours. We were unable to determine conclusively whether the hours were claimed legitimately due to missing timesheets and lack of records maintained by the county.

KRS 337.285 states that a written request by a county employee must be present requesting the permission to accumulate compensatory time and must be voluntary. There must be a written agreement between the employee and employer prior to work being performed that may lead to the accumulation of compensatory time. There also should be accurate and detailed records indicating when time is earned and used. There was not a written request letter or a written agreement on file. In addition, the county did not maintain records of the compensatory time that was claimed.

We recommend that the County adhere to and follow KRS 337.285 and establish other controls as deemed necessary.

*County Judge/Executive J.M. Hall's Response: We agree.*

**2007-29    The County Failed To Bid The Purchase Of An Excavator Of \$118,881**

The County failed to bid an excavator that was purchased for the price of \$118,881. The county entered into a financing agreement on July 11, 2006 for the purchase of an excavator. Payments were set as \$3,000 per month until the term of the contract is paid in full.

Knox County failed to comply with state and local bid laws relating to the procurement of assets. KRS 424.260 and the County's Administrative Code states that bids for materials, supplies, equipment, or services must be obtained for expenditures that exceed \$20,000. Furthermore, the County's Administrative Code sets out the procedures for selection of vendors, contract selection process, and the prerequisites for the negotiated process. According to the County's Administrative Code, the negotiated process may be used instead of advertisement for bids if the amount exceeds \$20,000 in the following circumstances: (1) an emergency exists and (2) all bids received exceed the amount budgeted. Thus, we found that the prerequisite to use the negotiated process for contract equipment was not met. The competitive bid process ensures that the County procures goods and services at the best overall value and ensures that bidders receive a fair and equal opportunity to conduct business with the County. Therefore, we recommend that the County adhere to all applicable laws and regulations regarding competitive bid requirements.

*County Judge/Executive J.M. Hall's Response: We agree.*

**C.    FEDERAL AWARD AUDIT FINDINGS**

None

**D.    SUMMARY OF PRIOR AUDIT FINDINGS**

None



